



PChome ONLINE

Ticker : 8044-TT
May 2022



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Actual results may differ materially from those contained in any forward-looking statements.

PChome Online 1Q 2022 Results Summary

Group

- **Net Income:** PChome reported a consolidated net loss of NT\$31 million, or a EPS of NT\$-0.25, in 1Q22. Net loss reduced significantly from 4Q21, due largely to the B2C business' earnings recovery, the Fintech business turning profitable, and a decline in M&A-related capital gain tax.
- **Revenue:** Consolidated revenue reached NT\$11,709 million in 1Q22, up 1.9% YoY, mainly driven by Fintech and Other new businesses, collectively growing at over 3x vs. the same period last year

E-commerce

- **B2C Revenue:** 1Q22 B2C revenue reached NT\$11.0 billion, down 0.3% YoY, due to supply shortage in certain 3C categories, our banking partner's rebate policy adjustment, and strong market competition
- **B2C Operating Income:** 1Q22 B2C operating income was NT\$32 million, down 87.4% YoY but up 404% QoQ, thanks to a favorable product mix shift on a sequential basis
- **Marketplace:** 1Q22 Marketplace revenue was NT\$362 million, down 11.8% YoY. However, the operating income grew 71.8% YoY to NT\$29 million, due mainly to Ruten's new service fee scheme.

Fintech

- **Revenue:** 1Q22 Fintech business' revenue grew 350+% yoy to NT\$320 million with an operating income of NT\$10 million, as the M&A synergy from integrating 21 Century Digital was unlocked
- **Portfolio:** As of 1Q 2022, the Fintech business' BNPL/credit portfolio surpassed NT\$3 billion
- **Users:** Fintech business, consisting of Pi wallet, 21CD and e-insure, has accumulated over 2 million users

PChome Online Latest Strategic Development Update

Group

- **Dividend Payout Policy:** the board has approved to distribute cash dividends of NT\$0.5 per share in 2022. Payout ratio was 60%, in line with the historical payout ratio
- **Board Re-election:** CDIB Capital is nominated to join the board and will leverage its extensive experiences in internet and next-generation e-commerce technologies to strengthen the board management
- **TWSE 2021 Corporate Governance Evaluation:** PChome has significantly improved its ranking to 6%-20% of the group in 2021, compared with 51%-65% in 2020

E-commerce

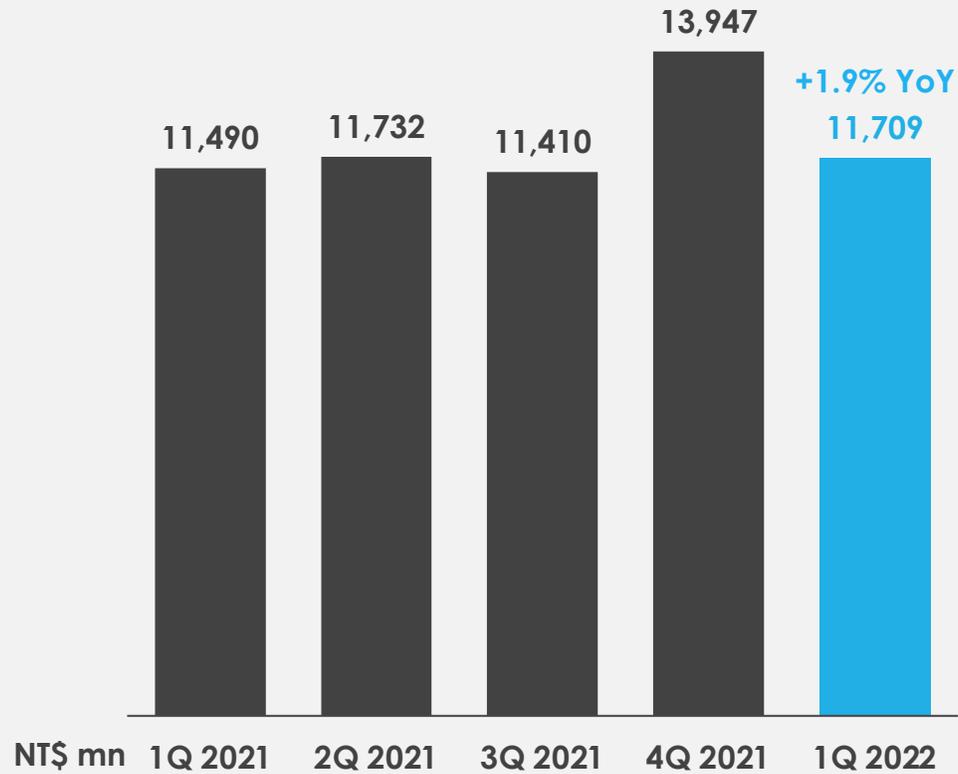
- **Cloud Migration :** PChome is undergoing a cloud migration to improve the system's stability, flexibility and scalability in 1H 2022
- **UI/UX Optimization :** PChome is undergoing UI/UX optimization for both website and APP, and target to roll out the in 2H 2022
- **CDP (customer data platform) & Personalization:** CDP development and personalized recommendation optimization to roll out in 2H 2022

Fintech

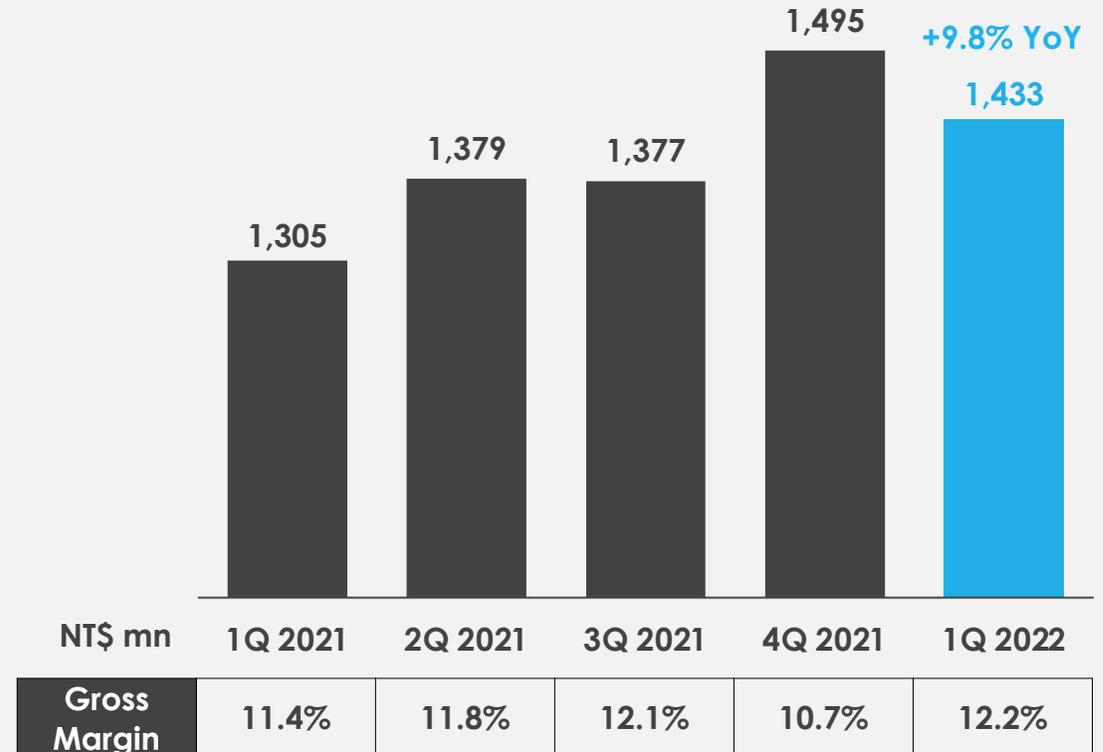
- **M&A:** PChome's subsidiary—21st Financial Tech. announced to acquire Cherri Tech. on April 12th and will close the transaction by July this year. 21st Financial Tech. will integrate Cherri's advanced technology into its digital wallet and BNPL product, building a comprehensive fintech ecosystem for both consumers and merchants
- **Synergy:** In April 2022, Fintech business launched PayLater, the first BNPL service directly embedded in mobile wallets in Taiwan. The combined synergy of Pi Wallet and 21CD will allow users to access flexible financing solutions anywhere and anytime

Consolidated Financial Summary

Net Revenue

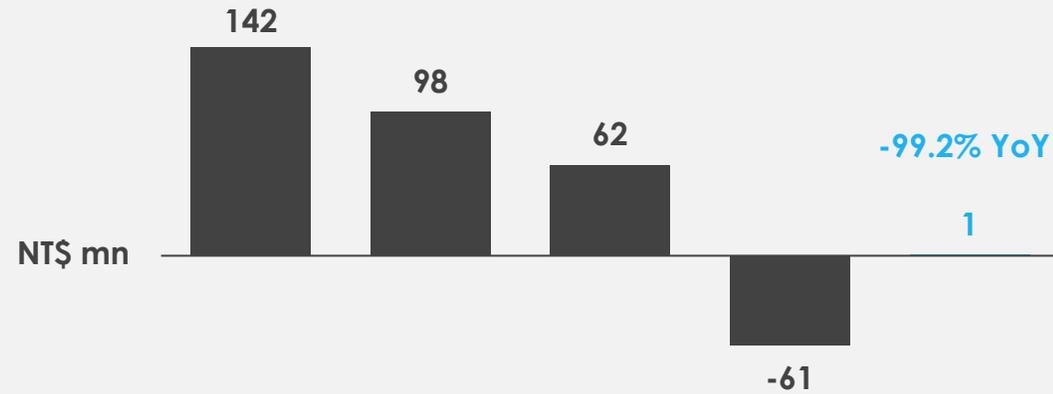


Gross Profit / Gross Margin



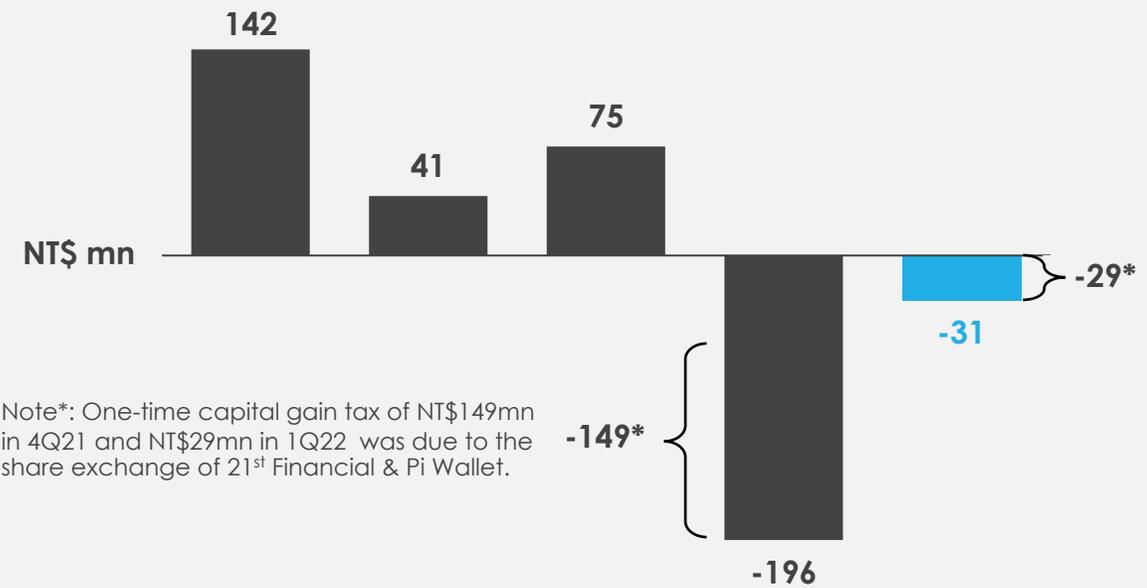
Consolidated Financial Summary

Operating Profit / Operating Margin



	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
Operating Margin	1.2%	0.8%	0.5%	-0.4%	0.0%

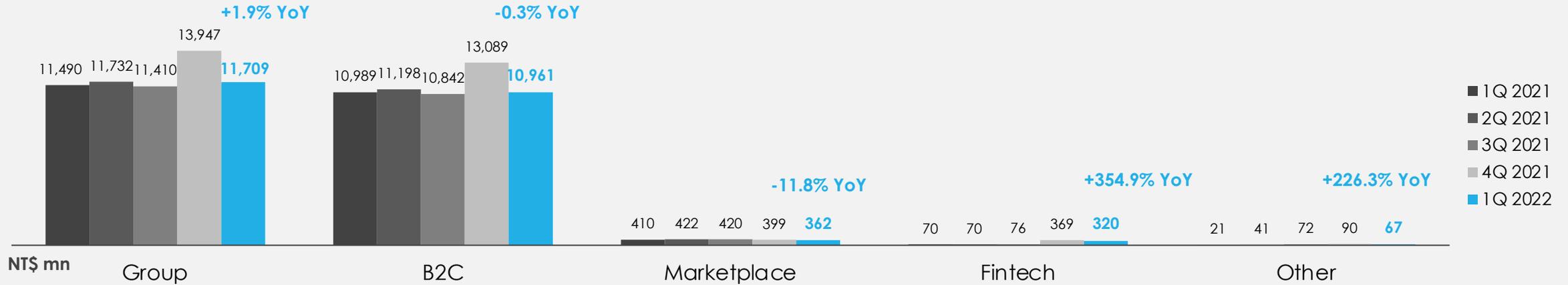
Net Income / Net Margin



	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
Net Margin	1.2%	0.5%	0.7%	-1.3%	-0.3%

1Q 2022 Revenue Breakdown by Business Divisions

Revenue Breakdown



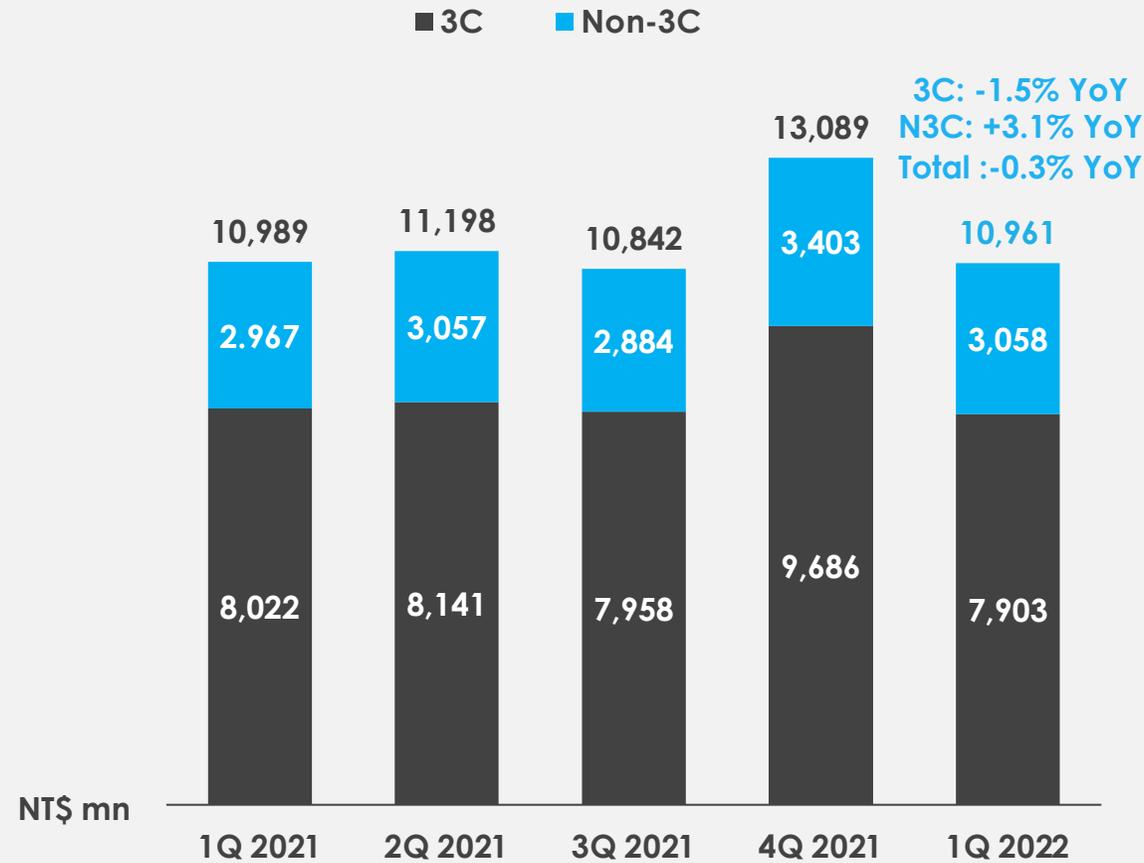
Operating Profit Breakdown



Note* : NT\$34 million and NT\$40 million recovery gain which has a recurring nature, recorded as non-operating income in 4Q21 and 1Q22 respectively.

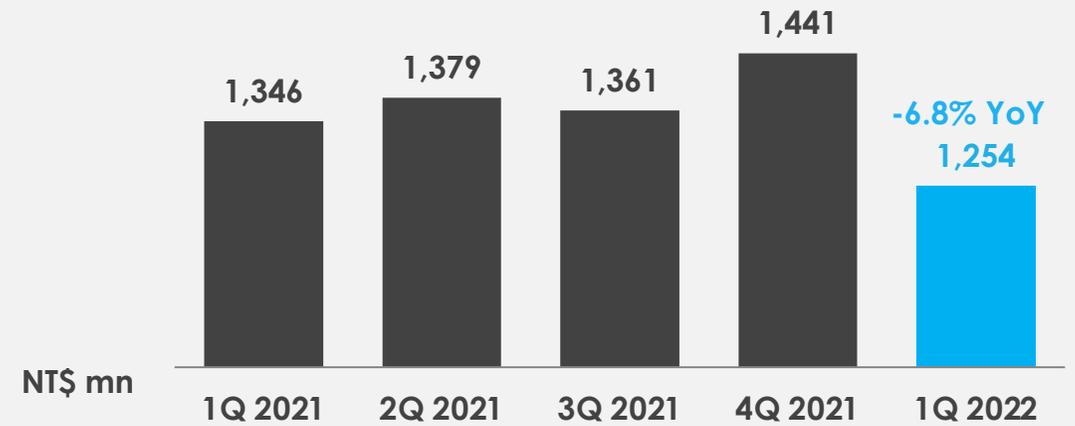
B2C Financial Summary

B2C Sales Breakdown



Non-3C % of Rev	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
	27.0%	27.3%	26.6%	26.0%	27.9%

B2C Gross Profit / Gross Margin

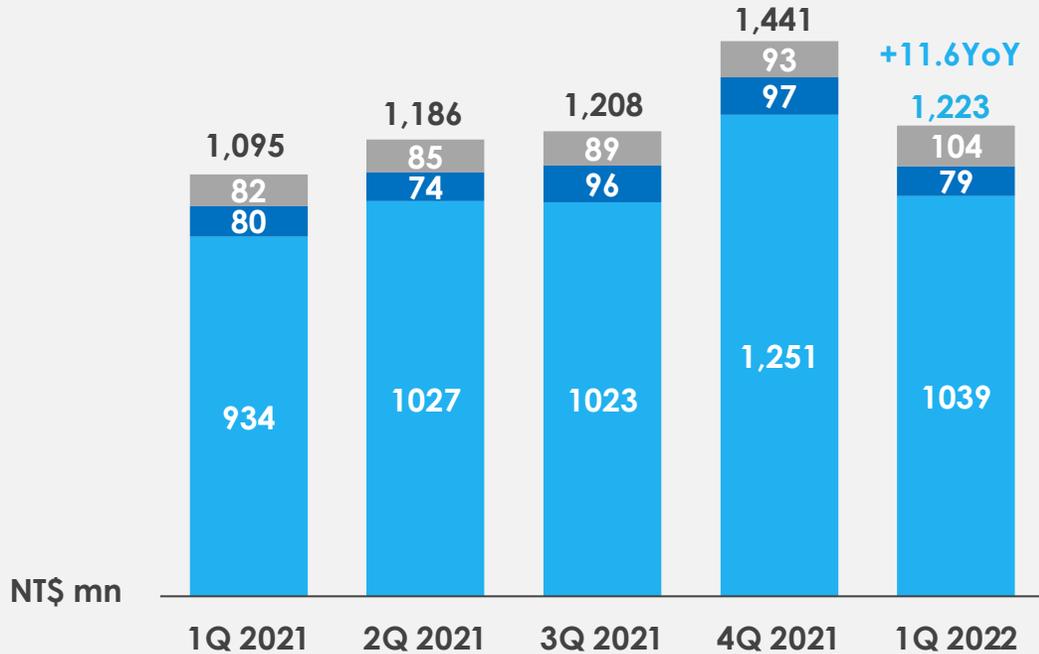


Gross Margin	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
	12.2%	12.3%	12.6%	11.0%	11.4%

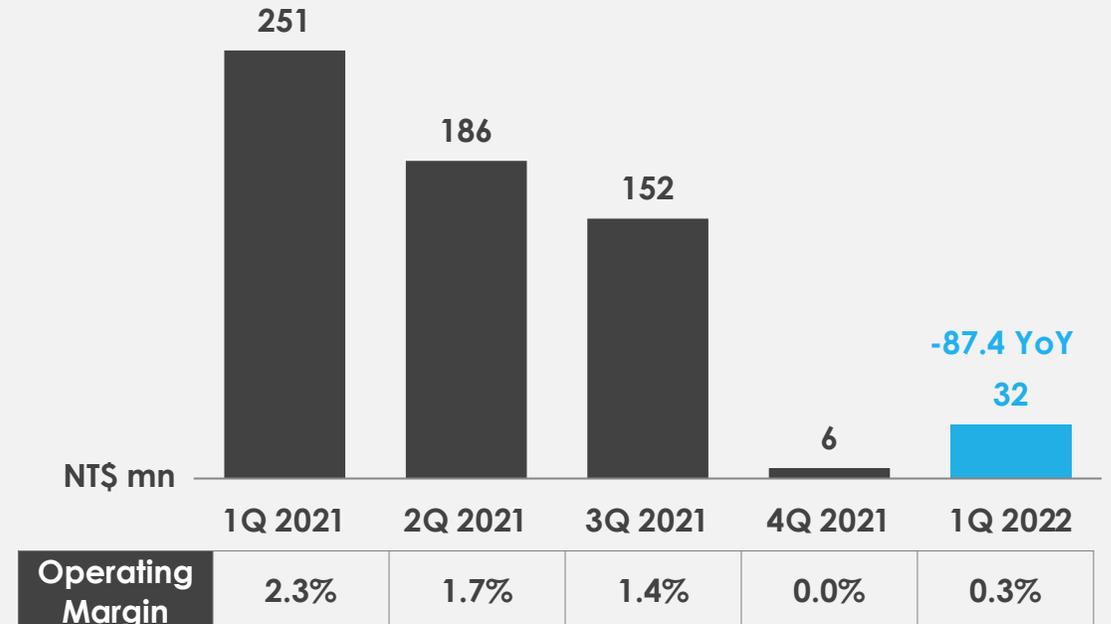
B2C Financial Summary

B2C Operating Expense Breakdown

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



B2C Operating Profit / Operating Margin



	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
Selling expense(%)	8.5%	9.2%	9.4%	9.6%	9.5%
G&A expense(%)	0.7%	0.7%	0.9%	0.7%	0.7%
R&D expense(%)	0.7%	0.8%	0.8%	0.7%	1.0%

1Q 2022 B2C Key Metrics

Service



Key Metrics
As of 1Q22

-2% YoY
Active Users

1% YoY
Growth Rate on Average Ticket Size

+12% YoY
App Active Users

+31% YoY
App Downloads

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

47% : 53%
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

Digital Wallet



- 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 5K 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

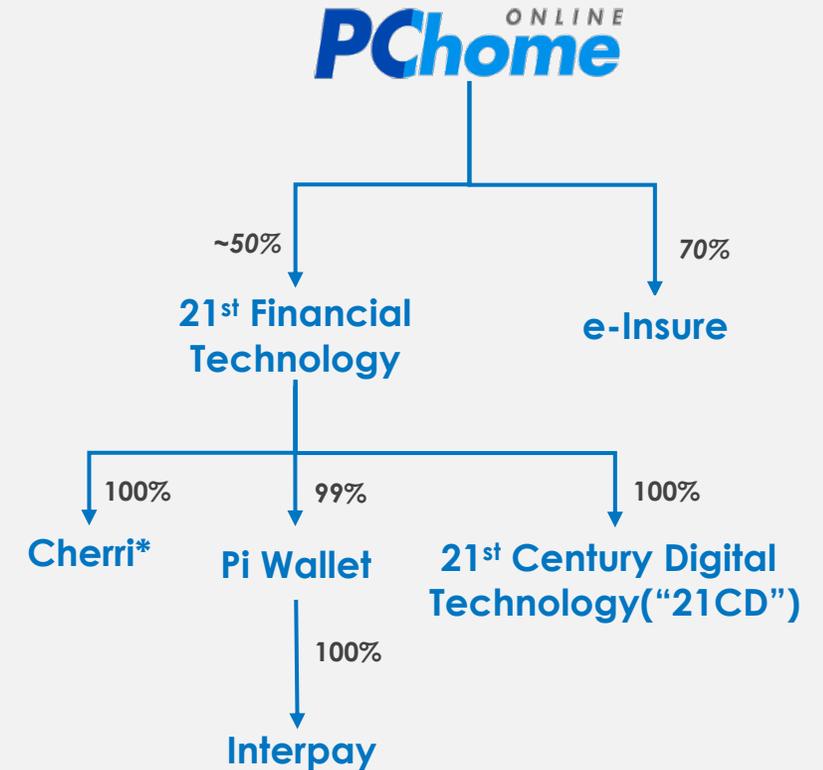
Payment Service



- Advanced **payment gateway solution** and **risk management system** that provide seamless and secure checkout experiences to increase conversion rate
- Cherri has served more than **10K merchants** with an annual **GPV of over NT\$50bn**

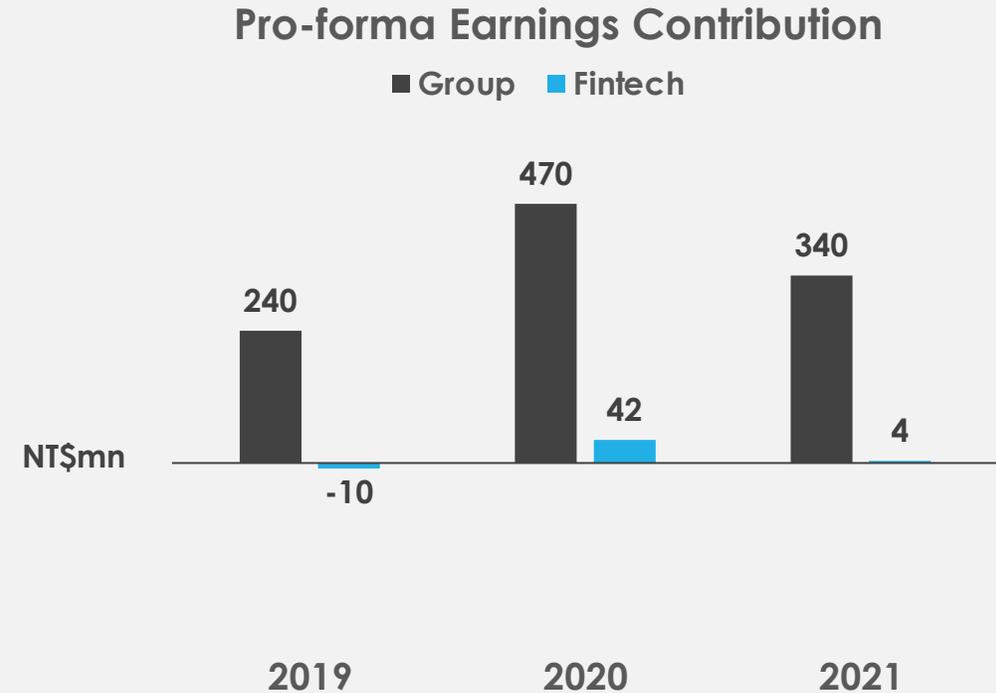
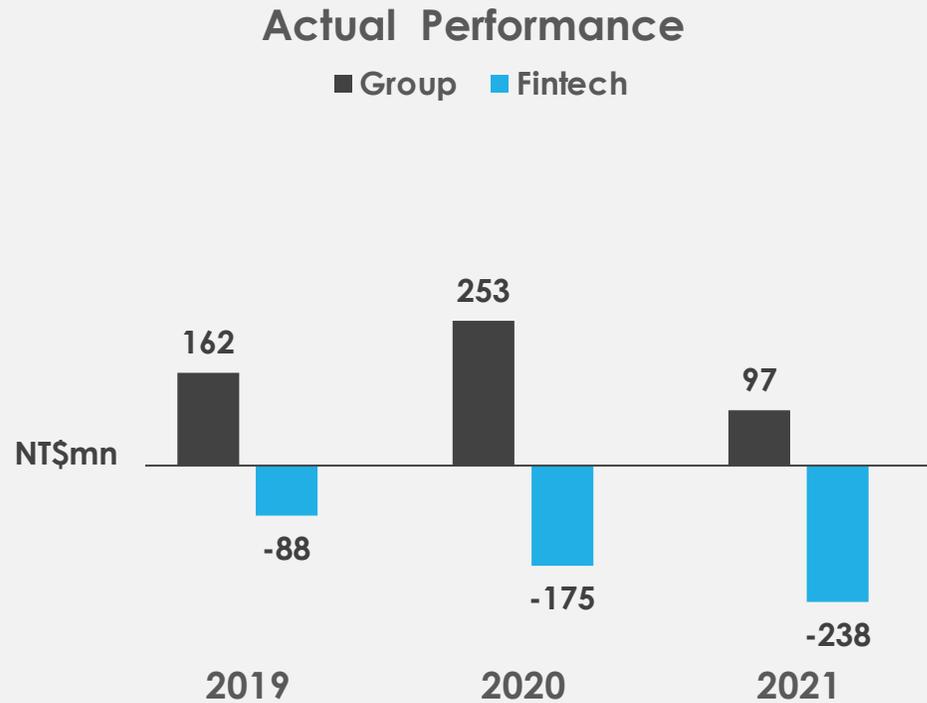
Supply Chain Financing

- 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



*21st Financial Technology acquired Cherri by exchanging 4.16 million newly issued shares (~7.5% enlarged shares base) and investing NT\$940 million in cash, the transaction will close by July 2022.

Pro-forma Earnings Contribution - Fintech Business



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, cherri 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

1Q 2022 Consolidated Income Statement

NT\$ million	1Q 2021		1Q 2022		YoY	2020		2021		YoY
	Amount	%	Amount	%		Amount	%	Amount	%	
Revenue	11,490	100.0%	11,709	100.0%	1.9%	43,870	100.0%	48,579	100.0%	10.7%
- B2C	10,989		10,961		-0.3%	41,673		46,119		10.7%
- Marketplace	410		362		-11.8%	1,829		1,652		-9.7%
- Fintech	70		320		354.9%	251		584		132.8%
- Other	21		67		226.3%	117		224		91.5%
Gross profit	1,305	11.4%	1,433	12.2%	9.8%	4,994	11.4%	5,556	11.4%	11.2%
Operating profit	142	1.2%	1	0.0%	-99.2%	316	0.7%	241	0.5%	-23.7%
- B2C	251		32		-87.4%	590		595		1.0%
- Marketplace	17		29		71.8%	67		98		46.3%
- Fintech	(72)		10		NM	(204)		(306)		NM
- Other	(53)		(69)		NM	(136)		(146)		NM
EBITDA	327	2.9%	212	1.8%	-35.2%	1,058	2.4%	994	2.0%	-6.0%
- B2C	403		190		-52.8%	1,206		1,195		-0.9%
- Marketplace	30		41		36.9%	122		147		20.6%
- Fintech	(68)		16		NM	(188)		(283)		NM
- Other	(37)		(35)		NM	(83)		(65)		NM
Non-operating income*	36	0.3%	32	0.3%	-11.8%	(12)	0.0%	97	0.2%	NM
Pretax income	178	1.5%	33	0.3%	-81.5%	304	0.7%	338	0.7%	11.2%
Tax**	(36)	-0.3%	(64)	-0.5%	NM	(83)	-0.2%	(276)	-0.6%	NM
Net income	142	1.2%	(31)	-0.3%	NM	221	0.5%	62	0.1%	-71.8%
- Attributed to shareholders	137		(32)		NM	253		97		-61.5%
- Minority interest	5		1		-70.8%	(32)		(35)		NM
EPS(NT\$)	1.17		(0.25)		NM	2.16		0.84		-61.2%

Note* : The non-operating income of NT\$32mn in 1Q 2022 reflected the recovery gain of the Fintech BU and is expected to have a recurring nature looking forward. The non-op of NT\$36mn in 1Q 2021 was mainly due to a revaluation gain from Chunghwa PChome Fund I's portfolio companies.

Note** : The tax expense of NT\$64mn reflects Fintech BU tax increase as profitability improved, and also consisted one-time capital gain tax of NT\$29 million due to the share exchange of 21st Financial & Pi Wallet in 1Q 2021.

1Q 2022 Standalone Income Statement

NT\$ million	1Q 2021		1Q 2022		YoY	2020		2021		YoY
	Amount	%	Amount	%		Amount	%	Amount	%	
Revenue	10,989	100.0%	10,961	100.0%	-0.3%	41,673	100.0%	46,119	100.0%	10.7%
Gross profit	1,346	12.2%	1,254	11.4%	-6.8%	5,017	12.0%	5,527	12.0%	10.2%
Operating expense	(1,095)	-10.0%	(1,223)	-11.2%	NM	(4,427)	-10.6%	(4,932)	-10.7%	NM
Marketing expense	(934)	-8.5%	(1,039)	-9.5%	NM	(3,843)	-9.2%	(4,234)	-9.2%	NM
G&A expense	(80)	-0.7%	(79)	-0.7%	NM	(248)	-0.6%	(347)	-0.8%	NM
R&D expense	(82)	-0.7%	(104)	-1.0%	NM	(336)	-0.8%	(350)	-0.8%	NM
Operating profit	251	2.3%	32	0.3%	-87.4%	590	1.4%	595	1.3%	1.0%
Non-operating income	(82)	-0.7%	(33)	-0.3%	NM	(256)	-0.6%	(276)	-0.6%	NM
Pretax income	168	1.5%	(2)	0.0%	NM	334	0.8%	319	0.7%	-4.3%
Tax	(31)	-0.3%	(30)	-0.3%	NM	(81)	-0.2%	(222)	-0.5%	NM
Net income	137	1.2%	(32)	-0.3%	NM	253	0.6%	97	0.2%	-61.5%

1Q 2022 Consolidated Balance Sheet

NT\$million	1Q 2021		1Q 2022		NT\$million	1Q 2021		1Q 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
ASSETS					LIABILITIES				
Current Assets :					Current Liabilities :				
Cash & Cash Equivalents	8,019	51.1%	6,941	30.3%	Short Term Borrowings	500	3.3%	2,249	9.8%
Accounts Receivables	487	3.1%	2,701	11.8%	Account Payable	3,322	21.6%	3,258	14.2%
Other Receivables	1,204	7.7%	1,246	5.4%	Other Payables	955	6.2%	1,070	4.7%
Inventories	1,324	8.4%	1,474	6.4%	Other Current Liabilities	3,117	20.3%	3,930	17.2%
Other Current Assets	905	5.8%	1,377	6.0%	Total Current Liabilities	7,895	51.3%	10,508	45.9%
Total Current Assets	11,939	76.1%	13,740	60.0%	Non-current Liabilities :	3,758	24.4%	4,792	20.9%
Non-current Assets :					TOTAL LIABILITIES	11,652	75.7%	15,301	66.8%
Long Term Investments	430	2.7%	968	4.2%	STOCKHOLDERS' EQUITY				
Property, Plant, and Equipment	547	3.5%	991	4.3%	Capital Stock :				
Intangible Assets	141	0.9%	4,142	18.1%	Common Stock	1,183	7.7%	1,285	5.6%
Other Non-current Assets	2,627	16.8%	3,059	13.4%	Capital Surplus	1,939	12.6%	4,717	20.6%
Total Non-current Assets	3,744	23.9%	9,160	40.0%	Retained Earnings	286	1.9%	148	0.6%
					Other Equity	624	4.1%	1,449	6.3%
TOTAL ASSETS	15,683	100.0%	22,899	100.0%	TOTAL EQUITY	4,031	26.2%	7,599	33.2%
					TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	15,683	100.0%	22,899	100.0%

Q&A



Thank You

