



PChome ONLINE

Ticker : 8044-TT
August 2022



Disclaimer

This presentation provided by PChome Online contains forward-looking statements. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date.

PChome Online does not undertake any obligation to update any forward-looking statement.

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

Appointment of New CEO and Strategic Investment in MamiLove

Alice Yu-Shan Chang

Biography

Alice Chang has a broad and unique experience from both the e-commerce business management and strong technical skills as an entrepreneur and ex-google partner technology manager .

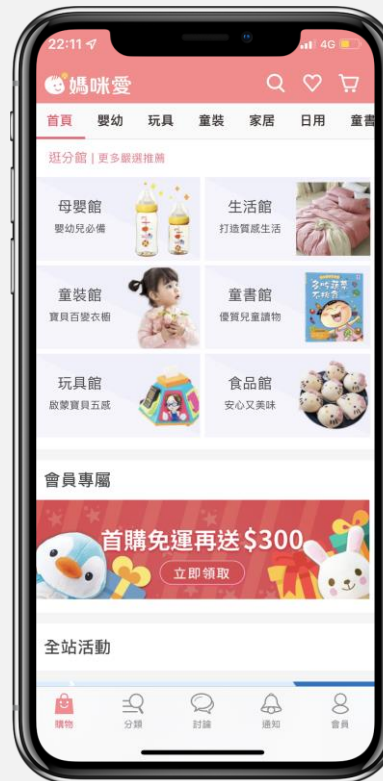
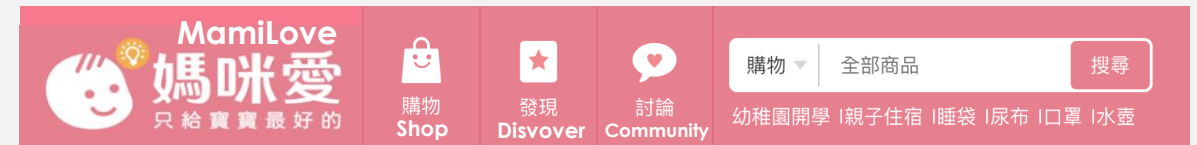
In 2012, Alice moved back to Taiwan and founded MamiLove, which originated from her own needs as a parent. MamiLove is a customer-centric community that empowers moms and families. Alice's mission is to build a great software company in Taiwan, and the company builds great products and services that users love.

Experiences

- **MamiLove, Founder & CEO (TW)** 2012/08-2022/08
- **Google, Partner Technology Manager (US)** 2007/08-2011/09
YouTube, Chromebook and Google Maps
ProjectsGoogle OC Award for YouTube Content ID

Education

- **Stanford University** 2004-2007
M.S., Management Science and Engineering
M.S., Computer Science
- **UNIVERSITY OF ILLINOIS, URBANA-CHAMPAIGN** 2002-2004
- **National Taiwan University** 2000-2002



MamiLove Introduction

MamiLove is one of the largest baby & kids focused e-commerce platforms in Taiwan with ~900k registered members, 92% female between 25~50 year-old. MamiLove has rich product listings from more than one thousand global non-3C brands.

Investment Rationale

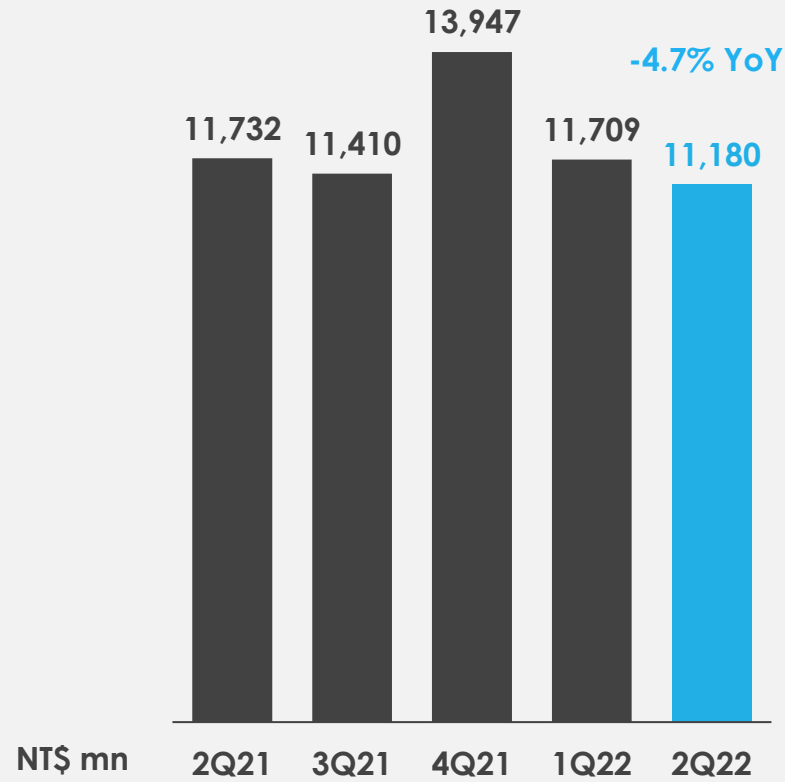
This strategic investment will not only advance PChome non-3C merchandising capability, but also broaden PChome's user profile diversity by leveraging MamiLove's strengths in niche marketing management and community marketing strategy.

Investment Structure

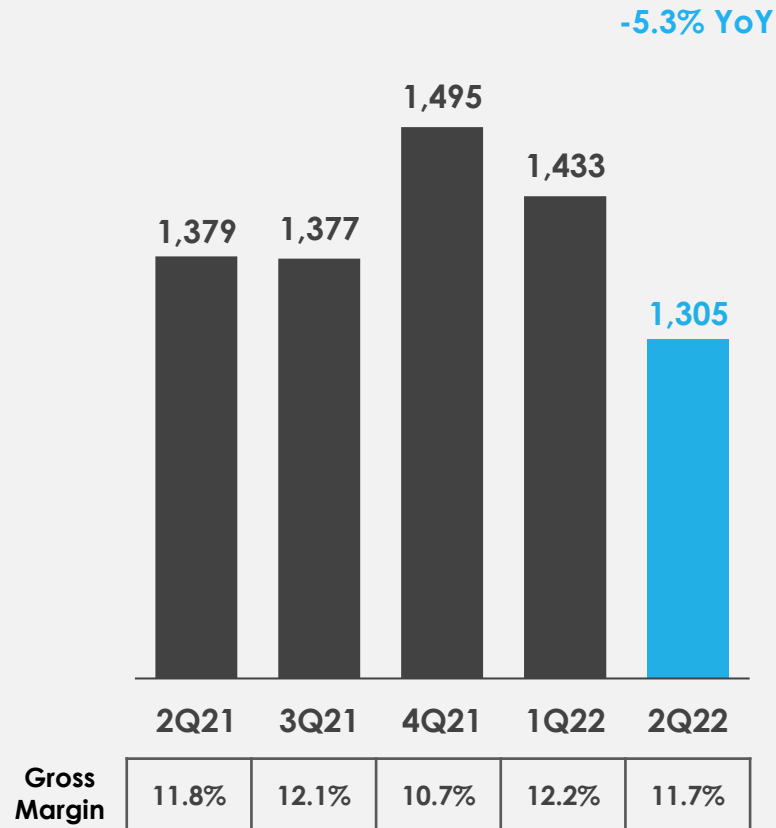
PChome group to invest NT\$226 million in cash to acquire 40% shareholdings of UPN information Co. Ltd., the holding company of MamiLove.

2Q 2022 Consolidated Financial Summary

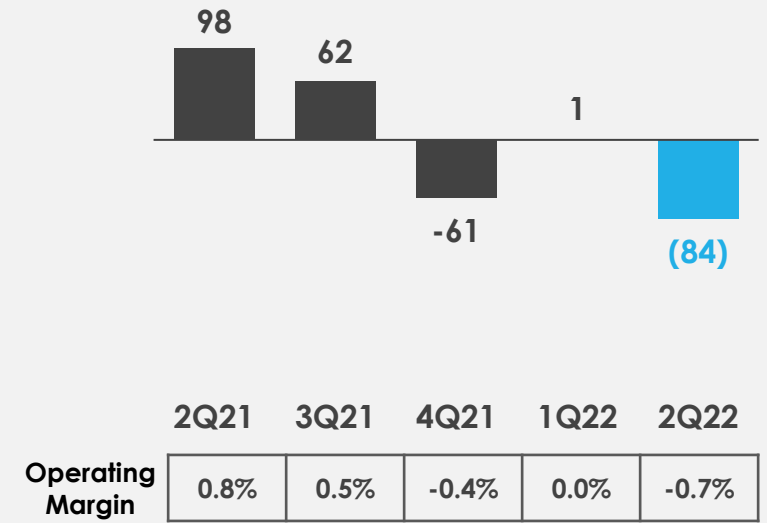
Net Revenue



Gross Profit

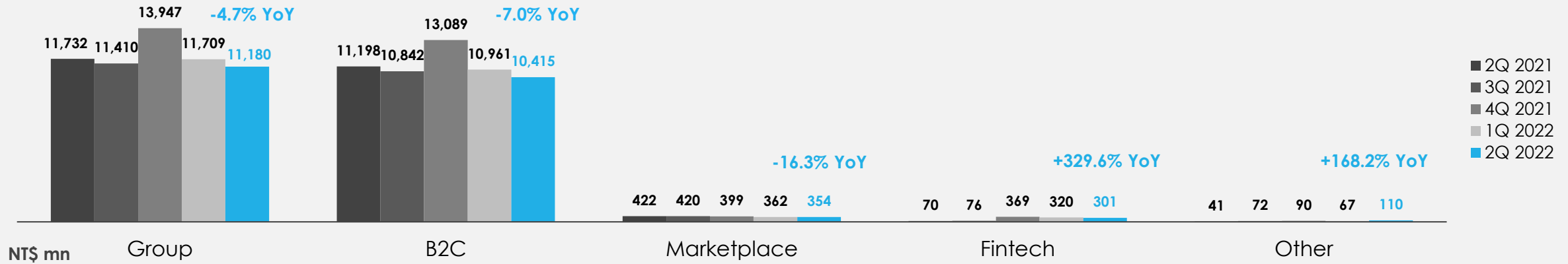


Operating Profit

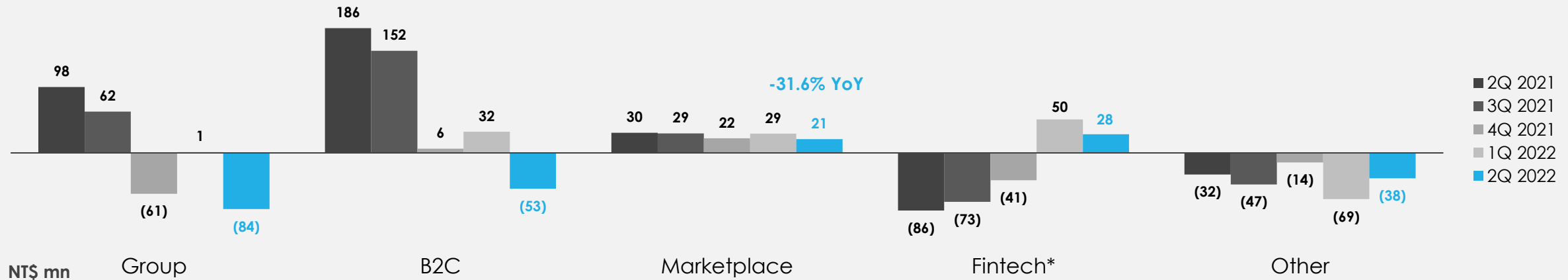


2Q 2022 Revenue Breakdown by Business Divisions

Revenue Breakdown



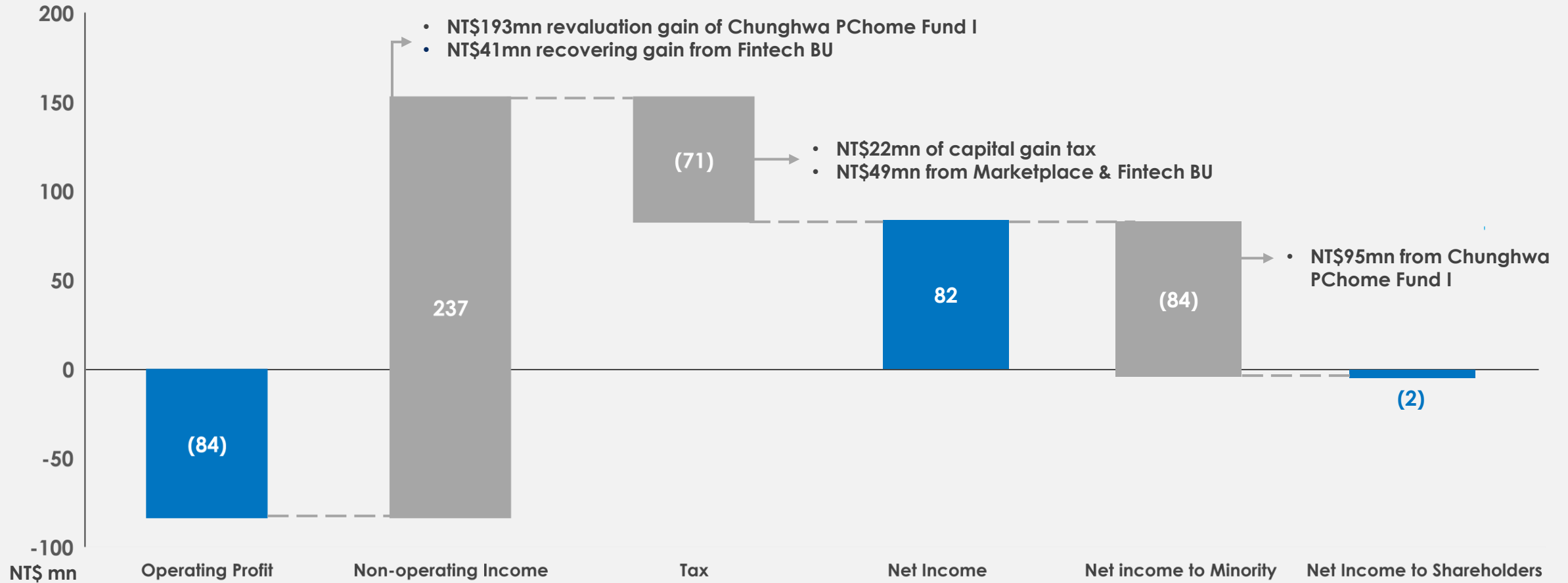
Operating Profit Breakdown



Note* : For Fintech, pretax profit is shown to better reflect the profit contribution of the credit business

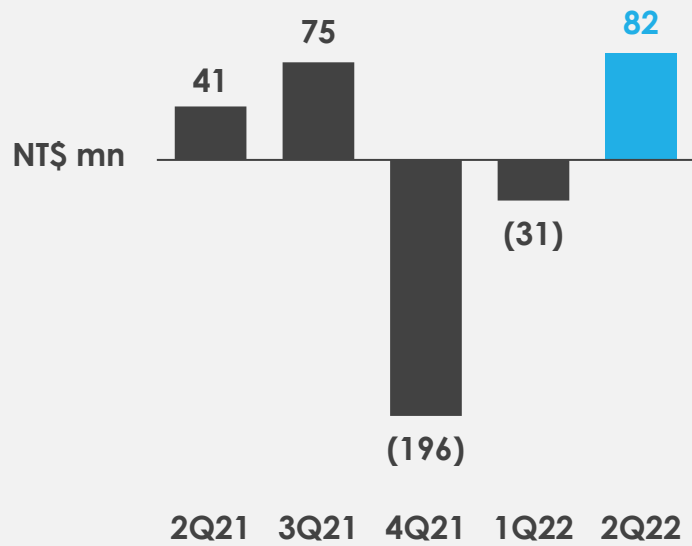
2Q 2022 Financial Summary

Non-operating Income / Net Income

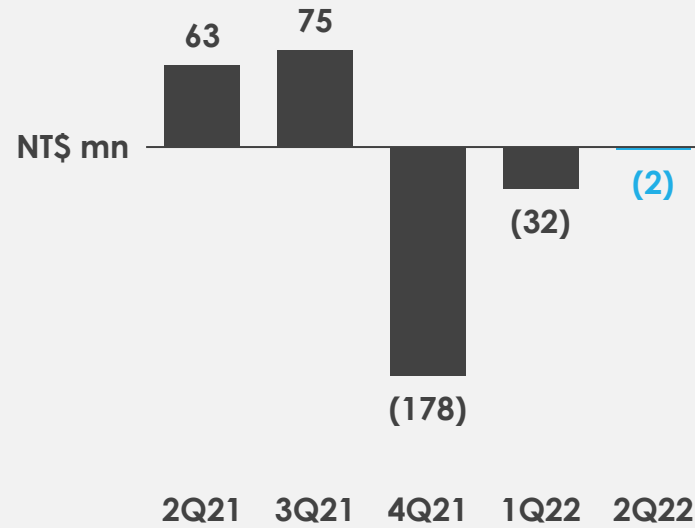


2Q 2022 Consolidated Financial Summary

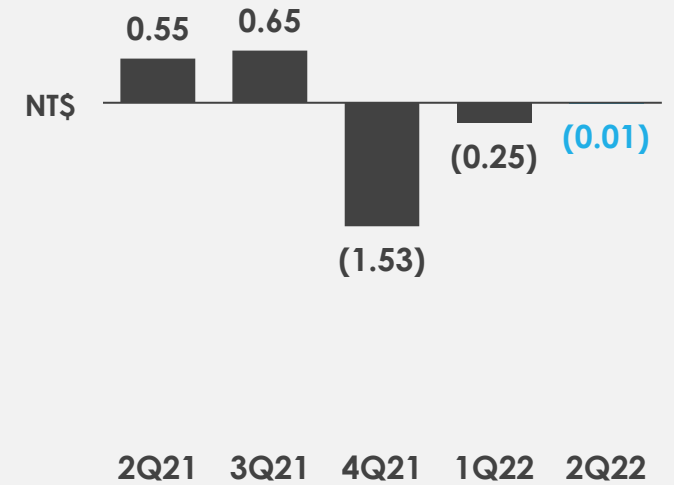
Net Income



Net Income Attributable to Shareholders



EPS



Net Margin

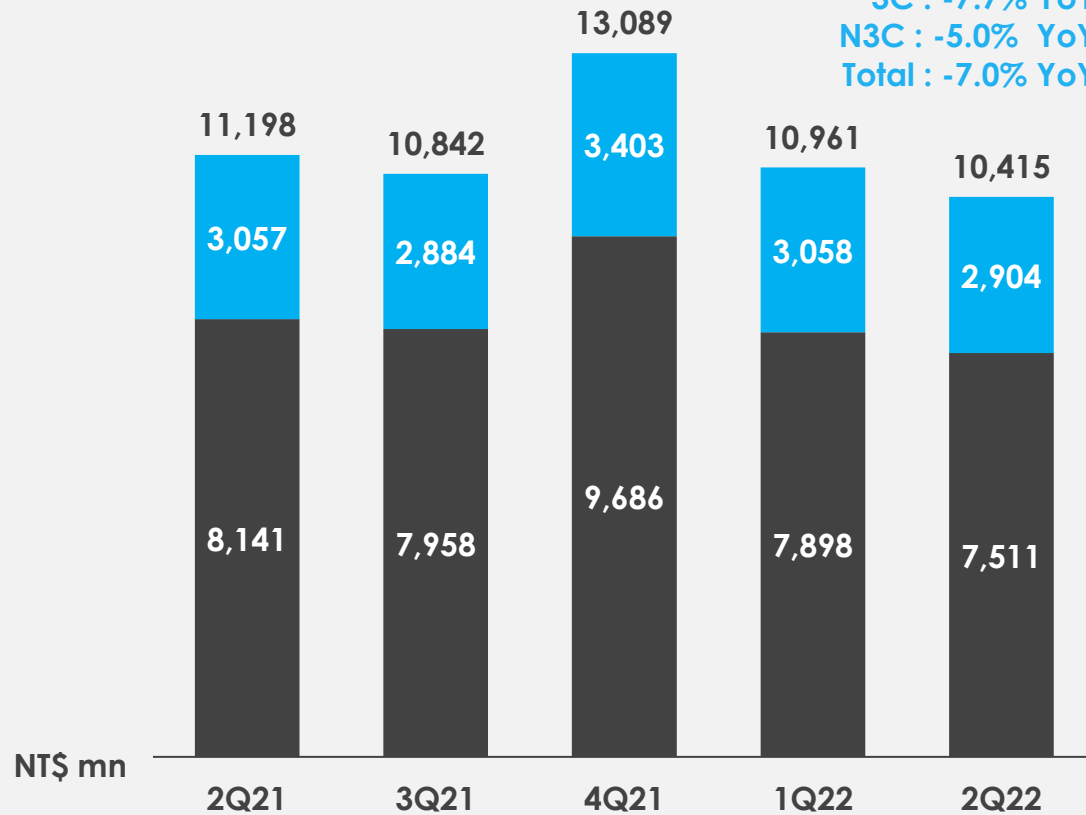
Quarter	Net Margin
2Q21	0.4%
3Q21	0.7%
4Q21	-1.4%
1Q22	-0.3%
2Q22	0.7%

2Q 2022 B2C Financial Summary

B2C Sales Breakdown

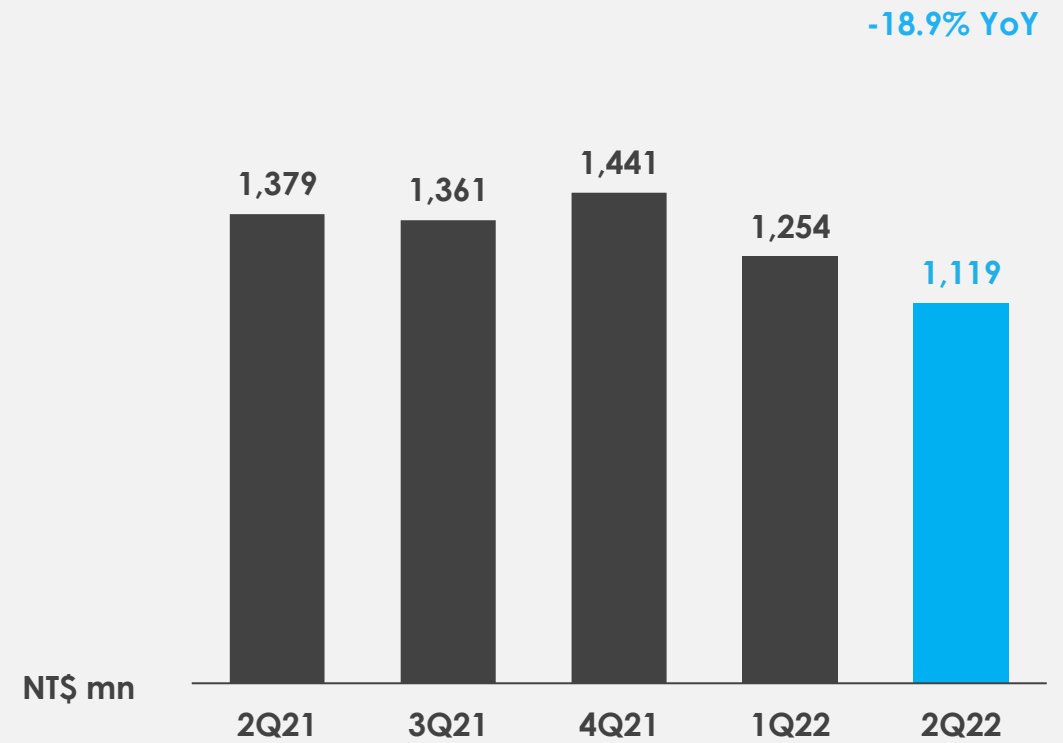
■ 3C ■ Non-3C

3C : -7.7% YoY
 N3C : -5.0% YoY
 Total : -7.0% YoY



	2Q21	3Q21	4Q21	1Q22	2Q22
Non-3C%	27.3%	26.6%	26.0%	27.9%	27.9%

B2C Gross Profit

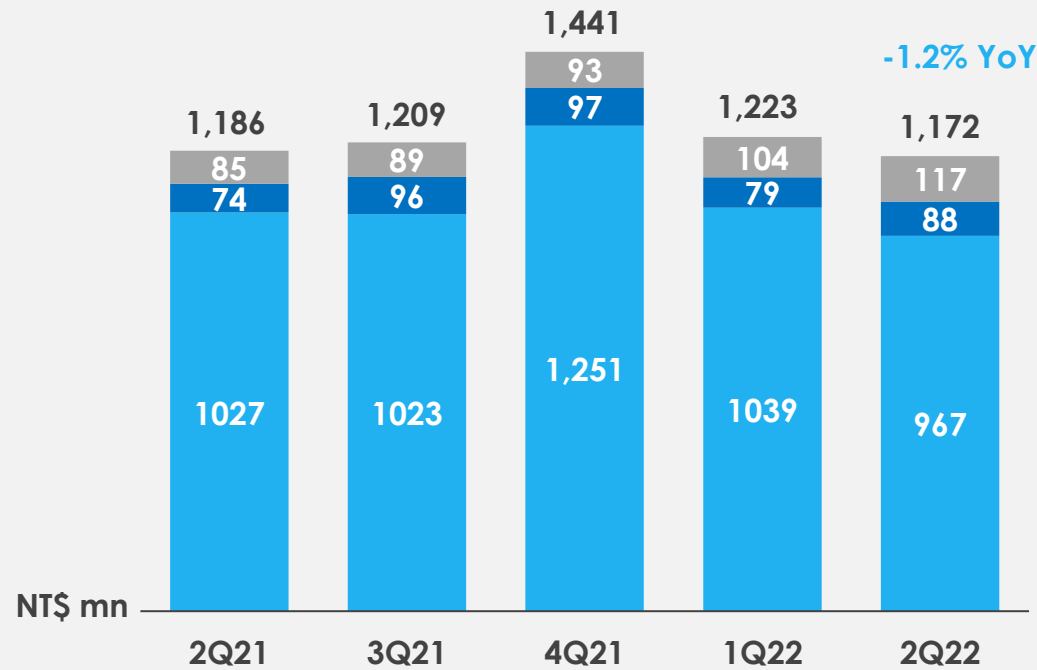


	2Q21	3Q21	4Q21	1Q22	2Q22
Gross Margin(%)	12.3%	12.6%	11.0%	11.4%	10.7%

2Q 2022 B2C Financial Summary

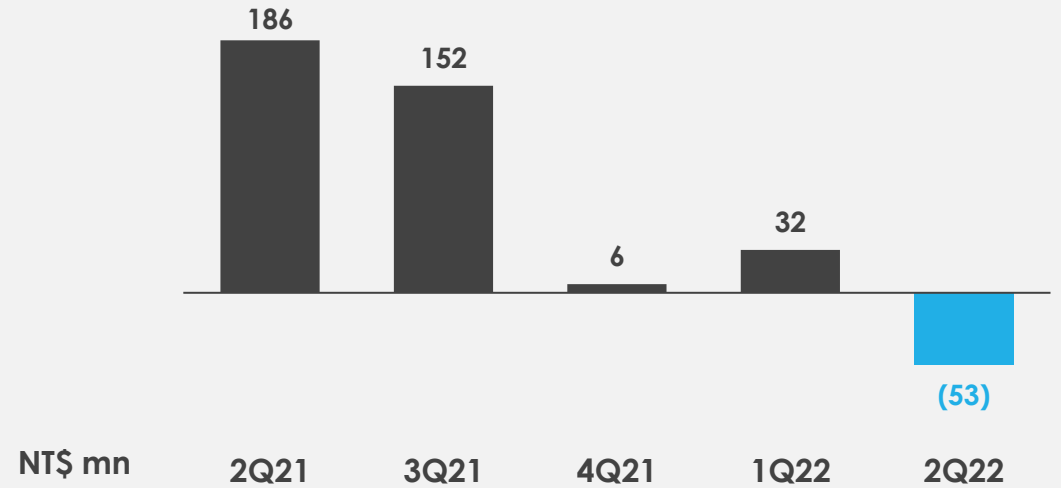
B2C Operating Expense Breakdown

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



	2Q21	3Q21	4Q21	1Q22	2Q22
Selling expense(%)	9.2%	9.4%	9.6%	9.5%	9.3%
G&A expense(%)	0.7%	0.9%	0.7%	0.7%	0.8%
R&D expense(%)	0.8%	0.8%	0.7%	1.0%	1.1%

B2C Operating Profit



	2Q21	3Q21	4Q21	1Q22	2Q22
Operating Margin(%)	1.7%	1.4%	0.0%	0.3%	-0.5%

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
- **25%** of B2C Orders



A7 Distribution Center

- ~ **NT\$2.2bn** in Total Cost
- **148k(m²)** in Total Spaces
- **22Q4** in Operation



2Q 2022 B2C Key Metrics

Service



Key Metrics
As of 2Q22

-16.4% YoY
Active Users

-0.7% YoY
Growth Rate on Average Ticket Size

+2.4% YoY
App Active Users

+26.6% YoY
Accumulated. App Downloads

42% : 58%
Traffic: Desktop v.s. Mobile

47% : 53%
Sales: Desktop v.s. Mobile

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)



- **PayLater**, the first BNPL service embedded in E-wallet in Taiwan, have accumulated over 30K members since May 2022
- **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

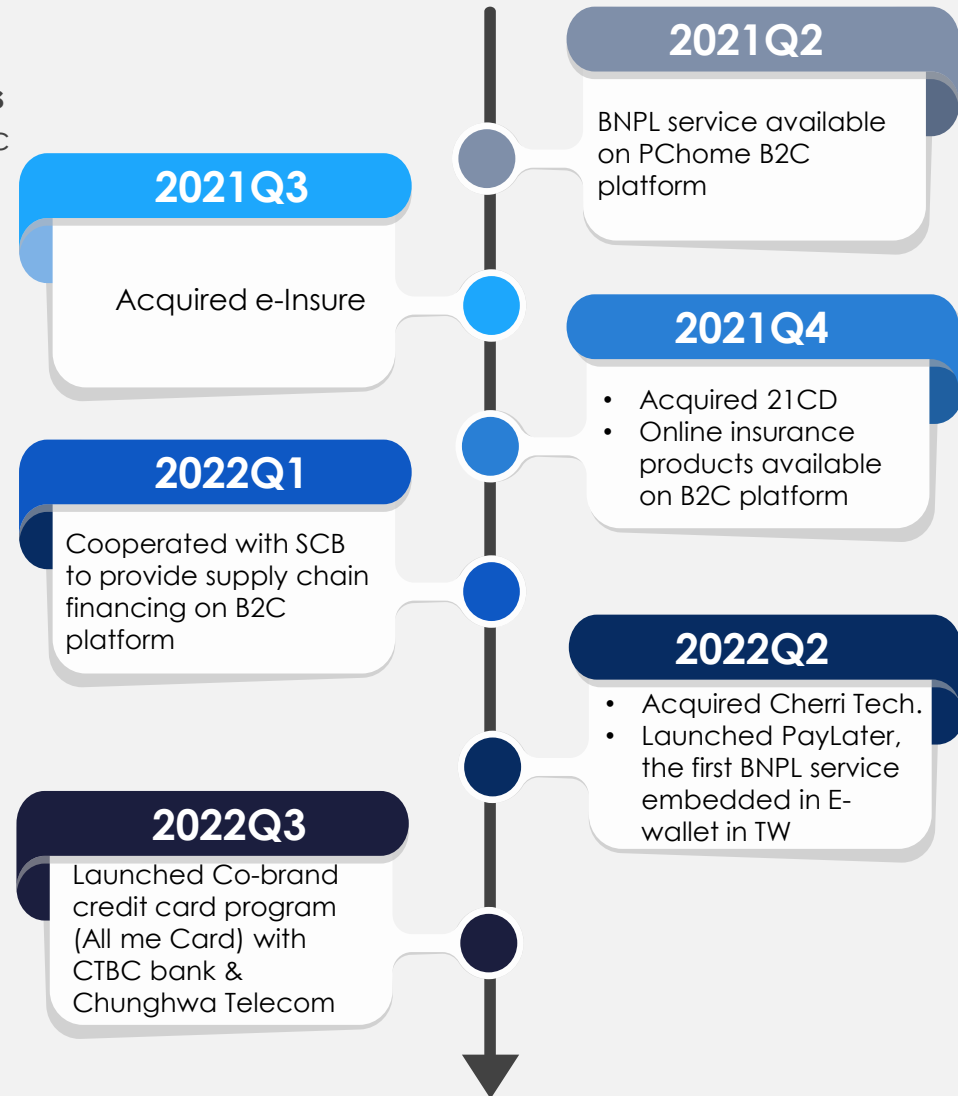
Payment Service



- 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



Financial Statement



2Q 2022 Consolidated Income Statement

NT\$ million	2Q 2021		2Q 2022		YoY	1H 2021		1H 2022		YoY
	Amount	%	Amount	%		Amount	%	Amount	%	
Revenue	11,732	100.0%	11,180	100.0%	-4.7%	23,223	100.0%	22,889	100.0%	-1.4%
- B2C	11,198		10,415		-7.0%	22,187		21,376		-3.7%
- Marketplace	423		354		-16.3%	833		716		-14.1%
- Fintech	70		301		329.6%	140		620		342.3%
- Other	41		110		168.2%	62		177		187.7%
Gross profit	1,379	11.8%	1,305	11.7%	-5.3%	2,684	11.6%	2,738	12.0%	2.0%
Operating expense	(1,281)	-10.9%	(1,389)	-12.4%	8.5%	(2,443)	-10.5%	(2,821)	-12.3%	15.5%
Operating profit	98	0.8%	(84)	-0.7%	NM	241	1.0%	(83)	-0.4%	NM
- B2C	186		(53)		-128.6%	437		(22)		NM
- Marketplace	30		21		-31.6%	47		49		5.4%
- Fintech	(86)		(13)		NM	(158)		(4)		NM
- Other	(32)		(38)		NM	(85)		(107)		NM
EBITDA	279	2.4%	128	1.1%	-54.1%	606	2.6%	340	1.5%	-43.9%
- B2C	334		107		-68.1%	737		297		-59.7%
- Marketplace	42		32		-22.9%	72		73		1.9%
- Fintech	(81)		(7)		NM	(149)		10		-106.4%
- Other	(17)		(4)		NM	(54)		(39)		NM
Non-operating income*	(14)	-0.1%	237	2.1%	NM	22	0.1%	269	1.2%	1141.7%
Pretax income	84	0.7%	153	1.4%	81.8%	262	1.1%	186	0.8%	-29.1%
Tax**	(43)	-0.4%	(71)	-0.6%	65.7%	(79)	-0.3%	(135)	-0.6%	70.6%
Net income	41	0.4%	82	0.7%	99.5%	183	0.8%	51	0.2%	-71.9%
- Attributed to shareholders	63		(2)		NM	200		(34)		NM
- Minority interest	(22)		84		NM	(17)		85		NM
EPS(NT\$)	0.55		(0.01)			1.72		(0.26)		

Note* : The non-operating income of NT\$237mn in 2Q 2022 included a NT\$193mn revaluation gain of Chunghwa PChome Fund I and reflected the recovery gain of the Fintech BU and is expected to have a recurring nature looking forward.

Note** : The tax expense of NT\$71mn reflects Fintech BU tax increase as profitability improved and consisted one-time capital gain tax of NT\$22 million due to the share exchange of Pi Wallet.

2Q 2022 Standalone Income Statement

NT\$ million	2Q 2021		2Q 2022		YoY	1H 2021		1H 2022		YoY
	Amount	%	Amount	%		Amount	%	Amount	%	
Revenue	11,198	100.0%	10,415	100.0%	-7.0%	22,187	100.0%	21,376	100.0%	-3.7%
Gross profit	1,379	12.3%	1,119	10.7%	-18.9%	2,725	12.3%	2,373	11.1%	-12.9%
Operating expense	(1,186)	-10.6%	(1,172)	-11.3%	-1.2%	(2,281)	-10.3%	(2,395)	-11.2%	5.0%
Marketing expense	(1,027)	-9.2%	(967)	-9.3%	-5.8%	(1,960)	-8.8%	(2,006)	-9.4%	2.3%
G&A expense	(74)	-0.7%	(88)	-0.8%	18.6%	(154)	-0.7%	(167)	-0.8%	8.3%
R&D expense	(85)	-0.8%	(117)	-1.1%	37.3%	(167)	-0.8%	(221)	-1.0%	32.4%
Operating profit*	186	1.7%	(53)	-0.5%	-128.6%	437	2.0%	(22)	-0.1%	NM
Non-operating income	(88)	-0.8%	73	0.7%	NM	(170)	-0.8%	40	0.2%	NM
Pretax income	98	0.9%	20	0.2%	-79.6%	266	1.2%	18	0.1%	-93.1%
Tax	(35)	-0.3%	(22)	-0.2%	-37.8%	(66)	-0.3%	(52)	-0.2%	-20.9%
Net income	63	0.6%	(2)	0.0%	NM	200	0.9%	(34)	-0.2%	NM

Note* : Net other loss of NT\$6mn was lease modification under IFR16 in 2Q 2021.

2Q 2022 Consolidated Balance Sheet

NT\$ million	2Q 2021		2Q 2022		NT\$ million	2Q 2021		2Q 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
ASSETS					LIABILITIES				
Current Assets :					Current Liabilities :				
Cash & Cash Equivalents	9,817	55.4%	6,339	26.8%	Short Term Borrowings	1,205	6.8%	1,934	8.2%
Accounts Receivables	616	3.5%	2,847	12.0%	Account Payable & Notes Payable	4,243	23.9%	3,771	16.0%
Other Receivables	1,192	6.7%	1,098	4.6%	Other Payables	1,128	6.4%	1,381	5.8%
Inventories	1,225	6.9%	1,657	7.0%	Other Current Liabilities	3,439	19.4%	3,739	15.8%
Other Current Assets	996	5.6%	1,642	6.9%	Total Current Liabilities	10,015	56.5%	10,825	45.8%
Total Current Assets	13,846	78.1%	13,583	57.5%	Non-current Liabilities :	3,648	20.6%	5,341	22.6%
Non-current Assets :					TOTAL LIABILITIES	13,663	77.0%	16,166	68.4%
Long Term Investments	36	0.2%	576	2.4%	STOCKHOLDERS' EQUITY				
Property, Plant, and Equipment	538	3.0%	965	4.1%	Capital Stock :				
Intangible Assets	137	0.8%	4,134	17.5%	Common Stock	1,183	6.7%	1,285	5.4%
Other Non-current Assets	3,179	17.9%	4,376	18.5%	Capital Surplus	1,944	11.0%	4,716	20.0%
Total Non-current Assets	3,890	21.9%	10,050	42.5%	Retained Earnings	349	2.0%	146	0.6%
					Other Equity	598	3.4%	1,320	5.6%
TOTAL ASSETS	17,736	100.0%	23,633	100.0%	TOTAL EQUITY	4,073	23.0%	7,467	31.6%
					TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	17,736	100.0%	23,633	100.0%

Q&A



Thank You

