



**DADA BROADBAND (7901.TW)**

**Analyst Meeting 2026. 01. 15**



## Presentation Outline

1. Broadband Trend under AI
2. DADA Company Overview
3. Advantage & Strategy

# The Times

September 1, 2023

## How the AI Revolution Will Reshape the World

- The AI revolution is about to trigger the most significant power redistribution in history... Today, individuals and small businesses can exercise tasks previously only accomplishable by governments or large organizations.
- Speed and performance are rapidly increasing: tasks that once required millions in computing costs are now cheap and popularized.
- AI is not just information technology, but action itself, allowing anyone to operate in areas previously unimaginable... This technological wave is more substantial than the internet.
- The professional class now faces the risk of being reshaped... Society must immediately prepare for and manage this acceleration of technology.



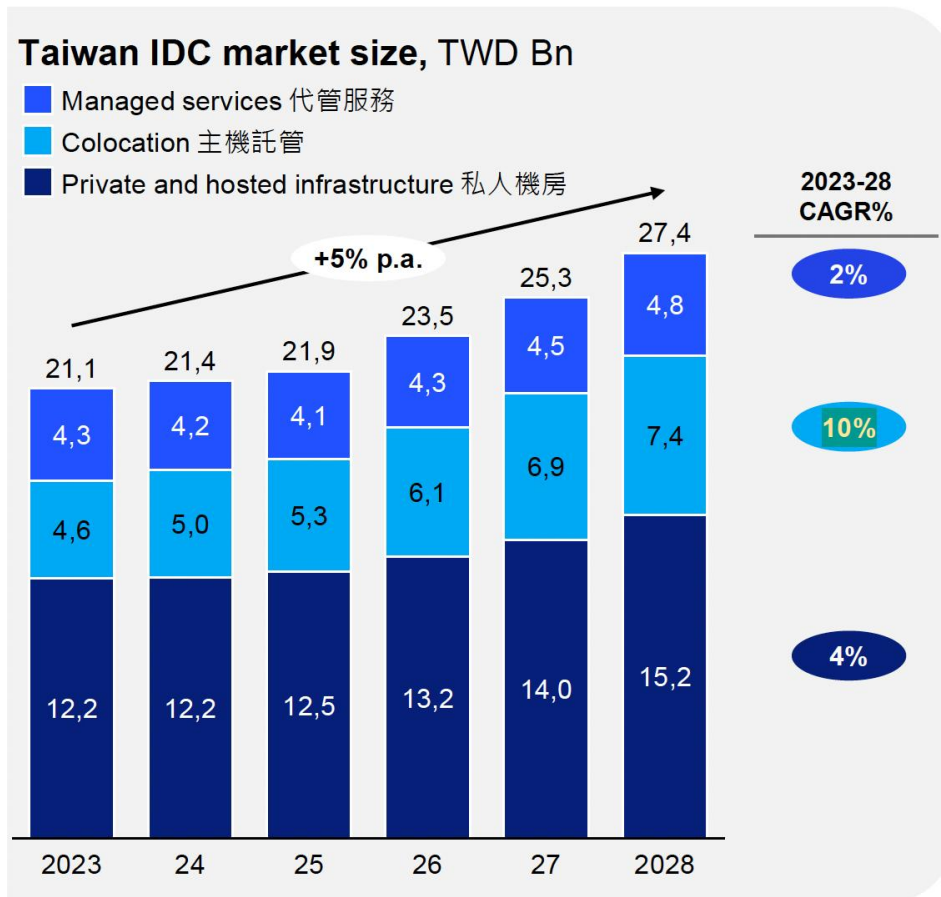
**AI is reshaping the broadband industry, driving demand for high-speed networks and data centers.**

## Structural Changes and Trends in the Broadband Industry

- The technological development of parallel computing and neural networks has completely transformed the entire broadband network industry structure over the past two decades. In addition to Google and Amazon's extensive global IDC (Internet Data Center) build-out, the capital market has recognized this industry trend. Professional IDC operators, such as Keppel, Vantage, and Equinix, are increasing IDC construction to meet the industry's growing demand for computing power.
- Cloud computing and cloud storage are essential prerequisites for the AI industry, while computing power output is the emerging business model. With the computing hardware infrastructure and software algorithms already in place, users ultimately only require a display and a stable, high-bandwidth broadband connection.



# Compute Power Economy = Compute Power Arms Race + Infrastructure Investment



Source: Gartner IT Services, 451 Research, press Search, Team Analysis

## 1 Digital Transformation and High Network Penetration Drive IDC Demand

Taiwan's internet penetration rate reaches 90%, with a surge in 2C services such as payment, e-commerce, social media, and gaming, boosting demand for data storage and computing, leading to an average annual growth of 5% in the IDC market.

## 2 Colocation and Private Data Centers are the Main Growth Drivers

Colocation (CAGR 10%) and private data centers (CAGR 4%) are the most significant growth drivers in the IDC market, reflecting the rising demand from enterprises and the government for local data sovereignty and computing capacity.

## 3 Cloud Giants Increase Investment, Taiwan Becomes a Regional Hub

Cloud giants like AWS are significantly investing in Taiwan to strengthen regional cloud service provision. Taiwan's strategic location connects to China, Japan, Korea, and the US, which is advantageous for attracting more IDC build-outs.



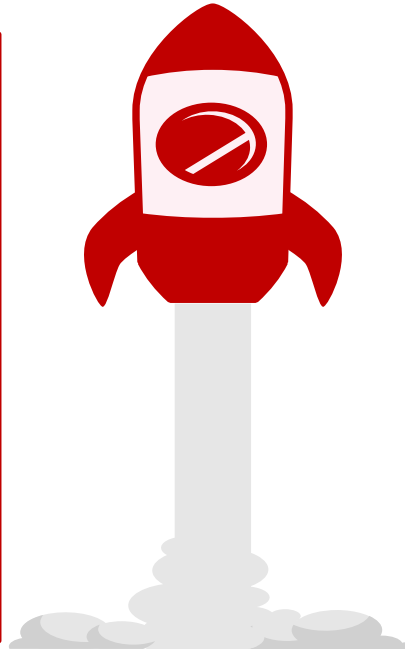
## In the Age of AI, Network Resources are Second Only to Compute Power

Fiber broadband network expansion is key to industry

### Demand Soars

Taiwan's cloud penetration rate is only 10% (compared to 50% in Europe and the US). Driven by AI and industrial cloud adoption, the public cloud market size is projected to grow at a CAGR of over 25% from 2022–2026.

The Taiwanese government opened up sensitive data for cloud adoption in 2022, provided that the data remains stored locally. Amendments are planned for late 2023 to further relax regulations for banking institutions moving to the cloud. With surging demand from government, medical, and financial institutions, data center localization is a future trend for Taiwan's cloud market.



### Supply Cannot Meet Demand

Taiwan has multiple international submarine cables, coupled with inexpensive electricity and a rich supply chain for data center components, which significantly reduces data center construction and operating costs.

In the past, due to regulatory restrictions, Taiwan's data center development lagged behind international counterparts. Taiwan's per capita data center capacity is far lower than other developed countries (only 1/7 of Singapore, 1/4 of Australia). Most facilities in the north are small-scale Chunghwa Telecom server rooms, which are unusable by large cloud service providers, leading to a shortage of data center capacity.

The GPON/FTTH architecture is significantly superior to the HFC (Hybrid Fiber-Coaxial) architecture in terms of upstream bandwidth and network stability. DADA Broadband is the only 100% Fiber-to-the-Home (FTTH) operator in Taiwan, a feat not even achieved by Chunghwa Telecom.

## At the Critical Node of the Broadband Network Industry

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- Generative AI technology will create commercial operation models for numerous startups, with these startups directly facing enterprise and home users.
- We are at the node for Generative AI applications, mastering the last mile. For successfully deployed AI applications, we introduce the corresponding servers into our equipment rooms and connect to IDCs. In addition to traffic revenue, this also yields income from equipment room leasing, hosting services, and profit sharing.
- Backbone network construction costs have reached a sweet spot, allowing for the construction of 100G bandwidth backbone networks at the cost of 10G, without even needing to increase the number of backbone cores.
- Data traffic is as important to broadband network operators as cash flow is to financial institutions. Traffic and transmission quality determine success or failure.

**It's “network quality and stability” that counts.**

39%;61%



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# DADA: Broadband Connectivity Service Provider

Name	DADA BROADBAND
Ticker	7901.TW
Solution	Broadband Connectivity Service
Setup Date	2002.05.15
Capital	NTD 600,000,000
Chairman	Chang Ming Chih
Address	3F., No.209, Sec. 2, Zhonghua Rd., Tucheng Dist., New Taipei City

## Product Mix

Solution	Usage
Broadband	Broadband internet access service provision to customers
Others	Subscriber installation revenue, and other miscellaneous income such as sales revenue.

unit : NTD 1,000 : %

Revenue	2023 A			2024 A		
	Revenue	GM	GM%	Revenue	GM	GM%
Broadband	687,496	365,509	53.17	808,361	406,112	50.24
Others	22,200	11,683	52.63	24,573	10,670	43.42
Total	709,696	377,192	53.15	832,934	416,782	50.04

# Income Statement

 **2023-2024 Revenues up by 17.4% YOY**

(unit: 1,000)	2023 A	2024 A	2025 H1
Revenue	709,696	832,934	449,447
Gross Margin	377,192	416,782	250,060
OPM	267,520	281,022	145,236
non-OPs	6,306	6,516	8,799
Pre-tax Income	273,826	287,538	154,035
Profit attributable to owners of the parent	194,823	194,816	125,617
Prior-period common control equity interest	25,346	35,808	-
Total Profits	220,169	230,624	125,617
Basic EPS	19.48	19.48	12.56

- From 2023 to 2024, DADA Broadband achieved an annual growth rate of 17.4% in operating revenue. Operating revenue for H1 2025 also grew by 12.2% compared to the same period last year.
- When submitting the application for the Emerging Stock Market in December 2025, DADA Broadband's capital stock had increased to NT\$600 million. Based on a capital stock of NT\$600 million, the Earnings Per Share (EPS) at the end of H1 2025 was NT\$2.09 per share.

# Balance Sheet

## Stable Financial Structure

### 2025 H1 Balance Sheet (unit: k)

Cash & Equivalents	64,345	Short-term borrowings	150,000
AR & other Recievables	63,674	Contract liabilities – current	169,248
Inventories and prepayments	34,789	Payables and other payables	79,070
Other current assets	1,542	Income tax and other current liabilities	35,645
<u>Total current assets</u>	<u>164,350</u>	<u>Total current liabilities</u>	<u>433,963</u>
Financial assets_FVPL	26,847	Total non-current liabilities	<u>48,612</u>
Property, plant and equipment	635,317	<b><u>Total liabilities</u></b>	<b><u>482,575</u></b>
Right-of-use assets	6,520	Share capital (including capital received in advance)	110,485
Intangible assets	6,710	Capital surplus	5,779
Other non-current assets	3,647	Retained earnings	240,905
Total non-current asset	<u>675,394</u>	<b><u>Total equity</u></b>	<b><u>357,169</u></b>
<b><u>Total assets</u></b>	<b><u>839,744</u></b>	<b><u>Total liabilities and equity</u></b>	<b><u>839,744</u></b>

After the capital increase with cash was completed and the change registration was finished in October 2025, the paid-in capital reached NT\$600 million.



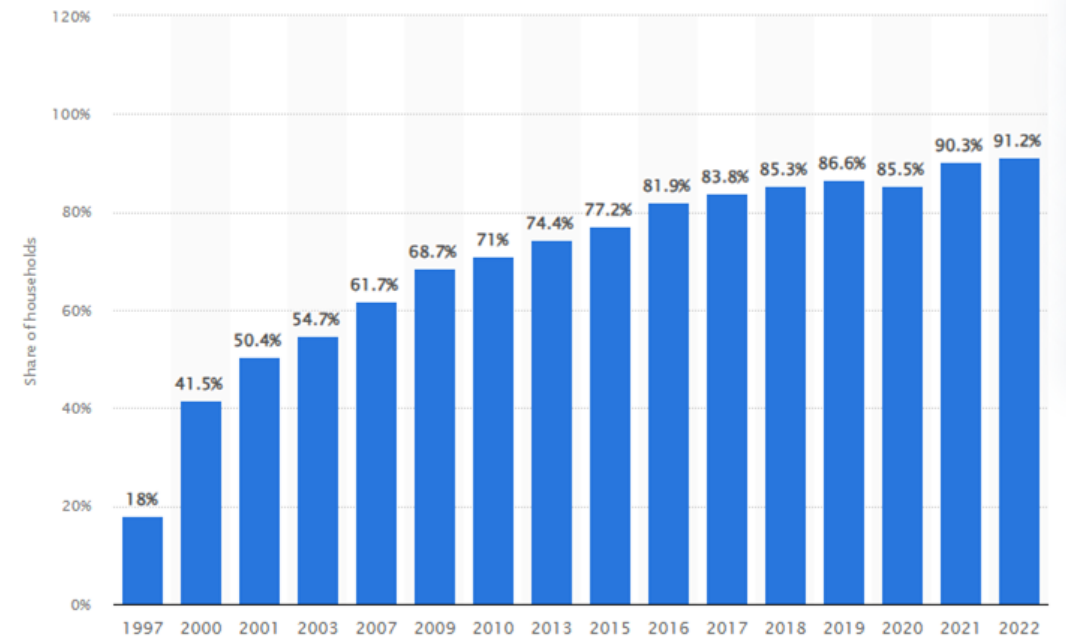
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## Viewing Taiwan's Fiber Broadband Network Development from U.S. Trends

- Compared to the 91.2% home broadband penetration rate in the U.S., Taiwan has 9.71 million administrative households and 6.99 million broadband subscribers in 2024, with a broadband penetration rate of approximately 72%, indicating room for growth.
- Another difference is that cable TV operators in Taiwan account for only about 35% of the home broadband market share, while Chunghwa Telecom accounts for 60% and remains dominant.
- Operators in both Taiwan and the U.S. are definitively transitioning to deploying FTTH architecture, as the demand for upstream bandwidth is crucial in the era of AI.

1997~2022 U.S. Household Broadband Penetration Rate



© Statista 2025

## DADA's Advantages and Corresponding Strategies

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### Relative Advantages:

- GPON/FTTH network architecture, superior to Cable/HFC in terms of bandwidth and transmission stability.
- Already possesses the foundation for expansion towards 10G-PON, just awaiting market timing.
- Connecting with strategic partners' regional networks to expand network coverage.
- FTTH fiber-optic network is a strategically valuable asset for telecommunication operators.
- 600,000 household broadband subscribers provide a scale advantage and are growing at a rate of 50,000 subscribers per year.

### Corresponding Strategies:

- Accumulate capital capacity for future investment in IDCs and broadband network operators.
- Strategic cooperation with telecom operators.
- Continue to expand the scale of household broadband users and develop enterprise users to increase traffic.
- Traffic scale is a prerequisite for building a self-owned Colocation data hosting center and submarine cable landing points.

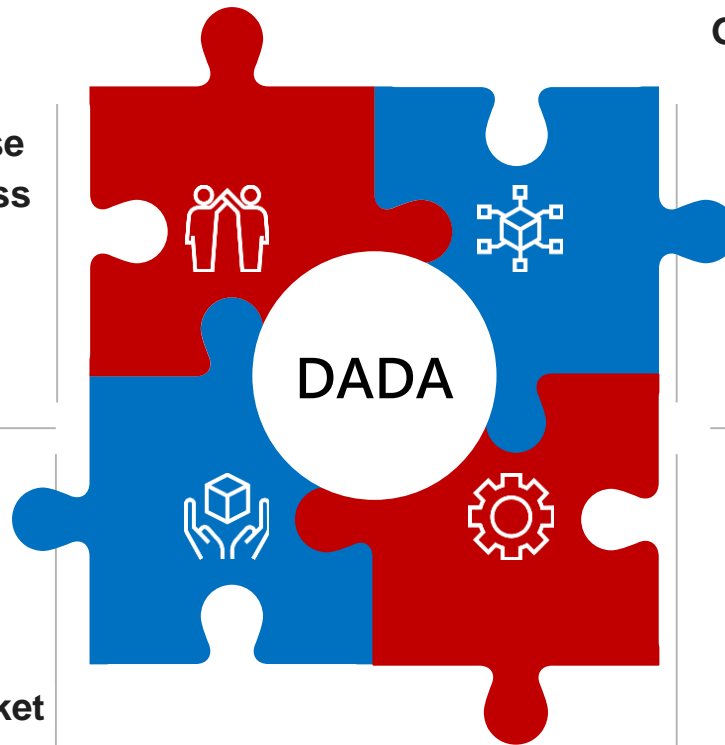
## DADA'S Operating Strategy

### Deep Regional Cultivation

Possesses a stable user base with high customer stickiness within its operating area.

### Flexible Operations

Agile decision-making, excellent cost control, and adept at achieving high market share in small areas.



### Growth Potential:

Taiwan's first batch of new-type broadband network operators listed with "Digital Communications + Regional Operation."

### Digital Transformation

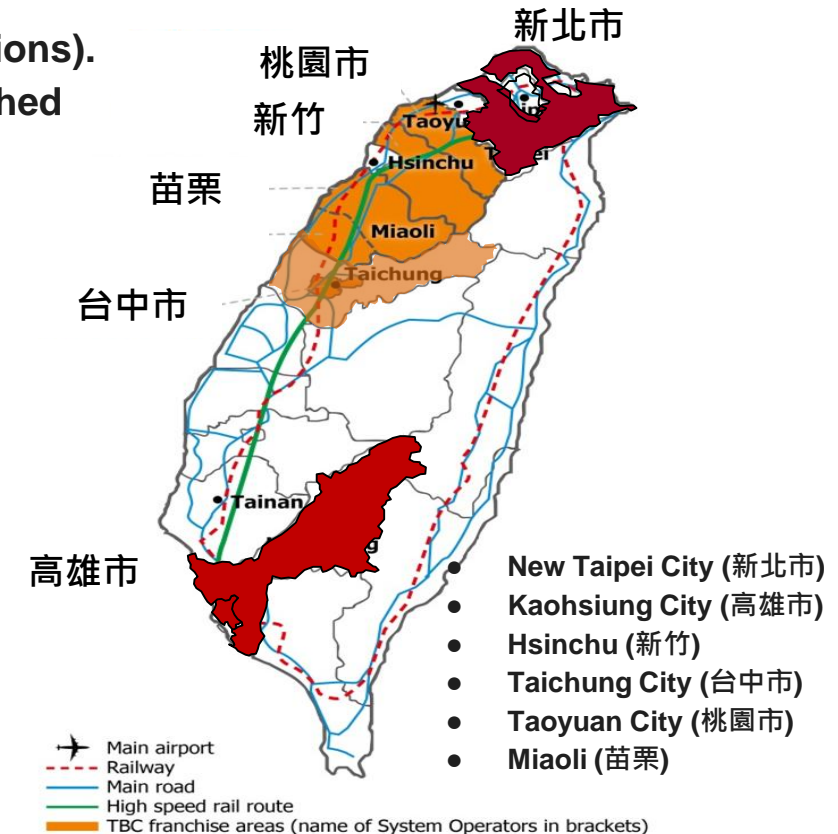
Planning to introduce innovative elements such as AI customer service, AI content applications, FinTech, and data center-related investments.

## Core Strategy - Continuous Investment in Infrastructure, Expanding Service Area



DADA Broadband strategically invested in TBC (Taiwan Broadband Communications). In 2025, the number of DADA Broadband brand households (including TBC) reached 600,000, which is only 8.7% of the total broadband market share in Taiwan.

1. Expanding the operating map, the service area includes New Taipei, Taoyuan, Hsinchu, Miaoli, Taichung, and Kaohsiung.
2. A 400G interconnected backbone network is under construction in North, Central, and South Taiwan, linking IDC (Internet Data Center) equipment rooms and focusing on developing chain-type enterprise customers.
3. Completed the construction of 6 FTTH secondary head-ends within the TBC operating area, continuously improving fiber infrastructure to increase coverage.
4. Expanding regional layout, integrating operating resources, strengthening brand strategy, and coordinating marketing efforts.



# Strategic Value: Chunghwa Telecom & DADA Broadband Cooperation

## Consolidating Regional Presence

Strengthening the integration of regional telecommunications operators, cooperating to stabilize market share, and reducing market fragmentation.

## Capital Market Benefits

Increased market capitalization after DADA Broadband's listing.

## Business Extension Platform

Chunghwa Telecom's local cooperation platform accelerates the deployment of 5G, fiber optic networks, and cloud services.

## Enhanced Corporate Image

Local startup, showcasing the digital innovation strategy of the telecom leader and emerging broadband operators.

## Strengthening the Last Mile

Mastering the last mile to the customer, further strengthening the market's competitive barrier.



## Chunghwa Telecom & DADA Broadband Strategic Cooperation Vision

Chunghwa Telecom has become a strategic shareholder of DADA Broadband, jointly planning for the next wave of communication upgrades.



中華電信  
Chunghwa Telecom

- ◆ Chunghwa Telecom, as the national telecommunications backbone, possesses abundant resources, technical integration capabilities, and profound brand trust.



- ◆ DADA Broadband is an innovative operator with regional advantages and flexible operations, possessing a highly satisfied user base and deep local cultivation capabilities.

- ◆ Based on strategic investment and partnership, the two will develop a dual-brand broadband service system, focusing on high-value markets to further increase penetration and service depth.
- ◆ The two parties join hands to create a new operational framework of "Central Backbone x Local Combat Power," opening a new chapter of mutual benefit and prosperity.
- ◆ Complementary synergies are achieved in customer acquisition, product line cross-selling, infrastructure investment, and operating costs.



As the demands of Taiwanese users continue to evolve toward high-speed broadband, streaming video, and smart home services, coupled with the AI wave poised to completely reshape human lifestyles, future network application scenarios, traffic demands, and service models will all face disruptive changes. At this critical turning point, the cooperation between DADA Broadband and Chunghwa Telecom is not only a complement of resources and advantages but also a forward-looking layout for Taiwan's digital infrastructure.

This collaboration aims to drive market innovation and enhance user value in a more scalable and efficient manner, while simultaneously achieving the three major strategic goals of "market share growth, financial revenue optimization, and emerging business expansion." It fosters a competitive, user-centric telecommunications and digital convergence ecosystem, laying the foundation for market leadership in the next wave of digital transformation.



# Vision

## DADA's Future Operating Outlook - Investment Strategy



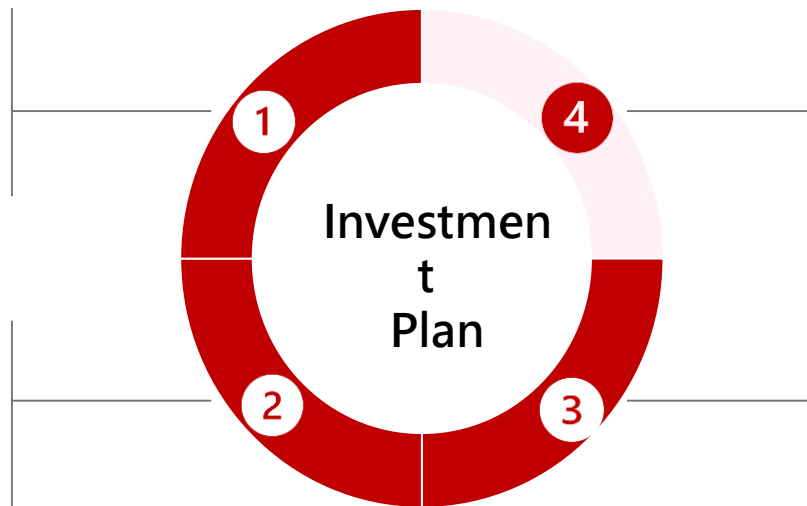
**DADA Broadband will focus on its core business, utilizing investment to integrate the vertical and horizontal industrial value chains, striving for steady development.**

### Horizontal M&A

Based on the DADA Broadband co-brand, invest in or acquire small to medium-sized independent operators to expand the brand's operating area.

### System Integrators

Invest in system integrators and rely on them to establish long-haul cable connections.



### Data Centers

Invest in small to medium-sized data centers that are already profitable or have stable operations.

### Core Holdings

Invested in TBC (Taiwan Broadband Communications) equity to create brand collaboration synergy and realize investment returns.

# Summary

- DADA Broadband is a paradigm of a strategic alliance between a leading telecommunications brand and a private video and audio service provider.
- Looking ahead, DADA Broadband will fully accelerate fiber coverage and regional merger and acquisition integration. Leveraging the architectural advantages of 100% FTTH fiber broadband, efficient operation and maintenance cost control, and high customer stickiness, as the digital communications industry enters the new application revolution of AI x Web 3.0, the strategic cooperation between DADA Broadband and Chunghwa Telecom is not merely an equity investment, but a concrete action by both parties to jointly lay out the future industry landscape, working together to face the changes and challenges in the telecommunications and broadband industries in the age of AI.



# Q&A

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