

Ticker Symbol: 2633



Taiwan High Speed Rail Corporation 1Q, 2023 Operation Report

2023.6.16

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AGENDA

I. OPERATIONAL OVERVIEW

II. FINANCIAL RESULTS

III. OPERATIONAL OUTLOOK

I. OPERATIONAL OVERVIEW

Company Profile



Operation Length

350

KM

Operation Area

11

Cities

Train Sets

34

Sets

Stations

12

Sets

Maintenance Bases

5

Sets

Weekly Schedule

1,025

Train Services

Daily Two-way Service
(WEEKEND)

169

Train Services

Daily Two-way Service
(WEEKDAY)

134

Train Services



Business Scope



Passenger Transportation Services

- Offers direct train, semi-direct train, and stopping train transport.



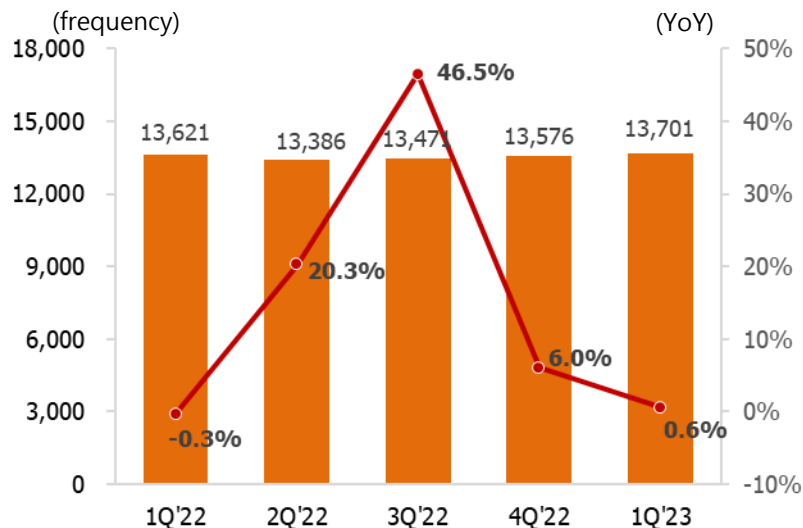
Operation of Affiliated Business

- Space Leasing:(Convenience store, dining, service counter, etc.)
- Advertising Sales:(Lightboxes, wall space, column space, product displays, train decorations, etc.)
- Retail Business
- Trolley Sales
- Parking Lots at Stations

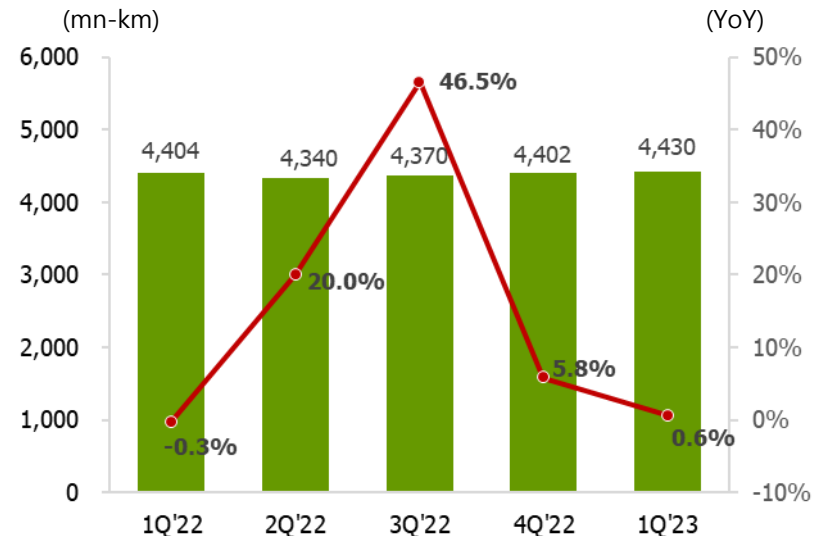
Operational Performance – Transportation Capacity



Trend of Train Services Status



Trend of Seat-km Status



	Train Services Growth Rate	Seat-km Growth Rate
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1Q'23 (QoQ)	+ 0.9%	+ 0.6%
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1Q'23 (YoY)	+ 0.6%	+ 0.6%
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Pre-pandemic CAGR('16~'19)	+ 1.7%	+ 2.2%
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	Qtly-Avg. Train Services	Qtly-Avg. Seat-km
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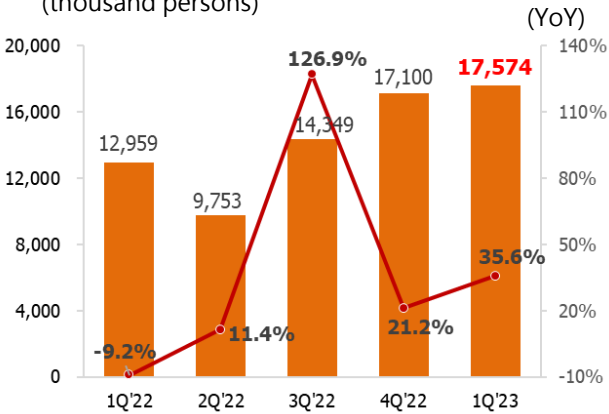
Pre-pandemic (FY '19)	13,432 (frequency)	4,407 (mn-km)
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Operational Performance –Transportation Volume



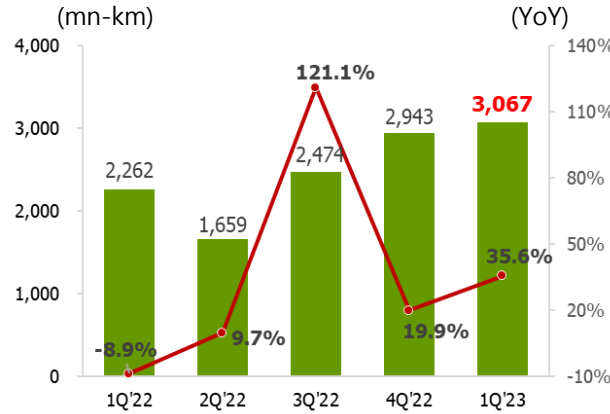
Passenger

(thousand persons)



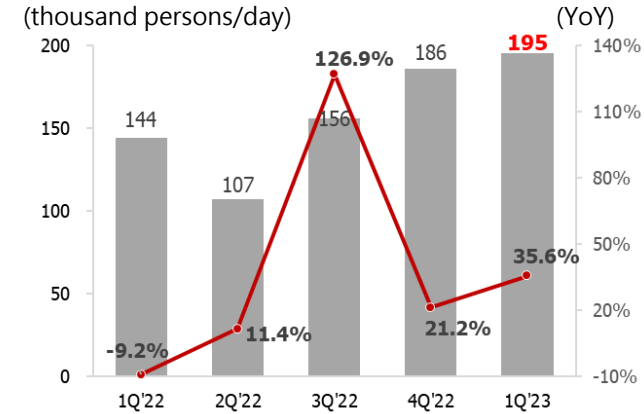
Passenger-km

(mn-km)



Daily Avg. Ridership

(thousand persons/day)



	Passenger Growth Rate	Passenger-km Growth Rate	Daily Avg. Passenger Growth Rate
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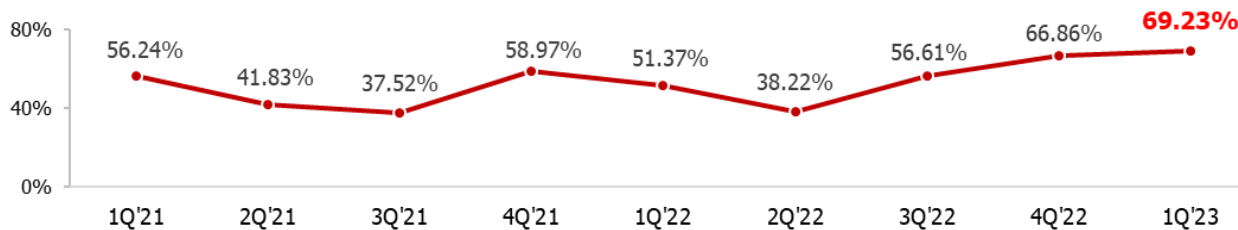
1Q'23 (QoQ)	+ 2.8%	+ 4.2%	+ 5.1%
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Pre-pandemic CAGR('16~'19)	+ 6.0%	+ 4.6%	+ 6.1%
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	Qtly-avg. Passenger	Qtly-avg. Passenger-km	Daily Avg. Passenger
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Pre-pandemic (FY '19)	16,853 (thousand persons)	2,998 (mn-km)	185 (thousand persons/day)
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Load Factor



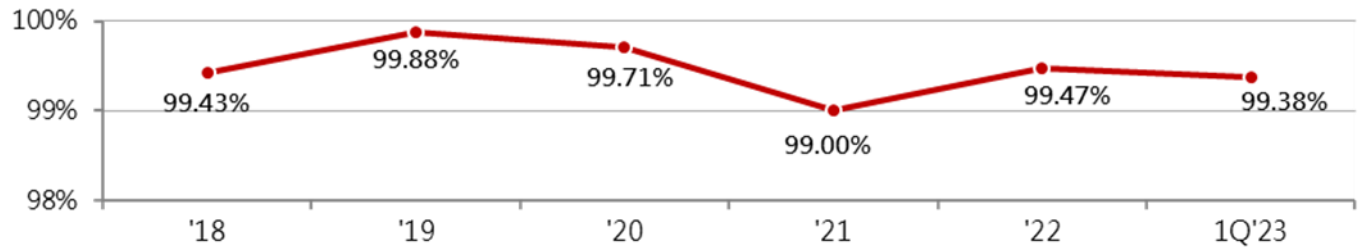
Avg. Load Factor

Pre-pandemic (FY '19)	68.0%
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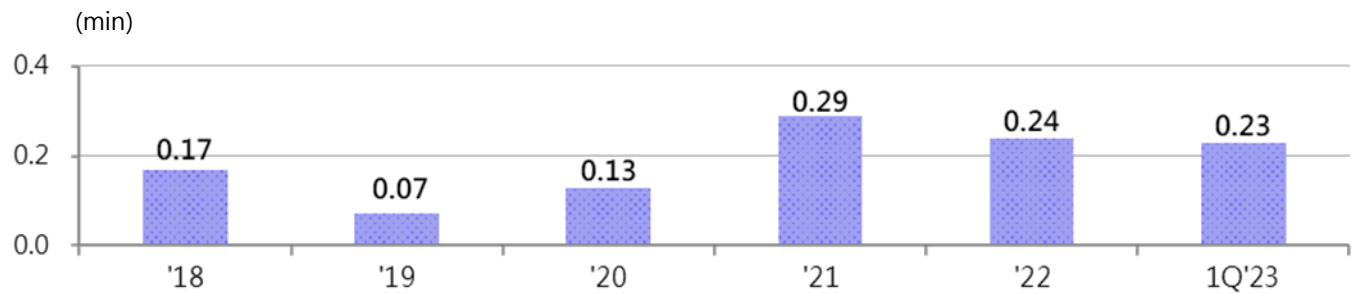
5-year Operational Performance



**Punctuality
(Delay < 5min)**



Avg. Delay Time



**Accidents
resulting in
Liabilities**

	'18	'19	'20	'21	'22	1Q'23
Accidents resulting in Liabilities	0	0	0	0	0	0

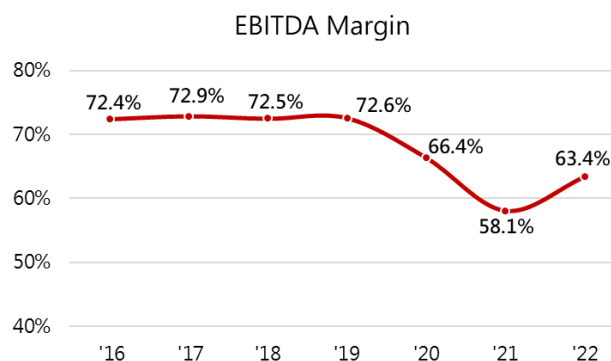
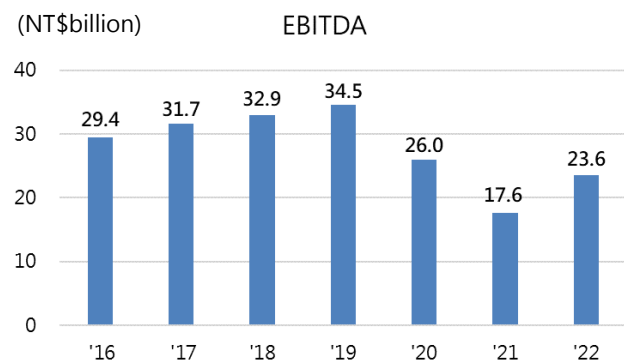


II. Financial Results

Profit & Loss and Financial Results



(NT\$ million)	1Q'23	4Q'22	QoQ	1Q'23	1Q'22	YoY
Revenue	12,149	11,697	4%	12,149	8,990	35%
Gross Profit	5,581	5,061	10%	5,581	2,740	104%
Net Income	5,206	4,660	12%	5,206	2,438	114%
Interest Expense	(1,667)	(1,682)	-1%	(1,667)	(1,427)	17%
Stabilization Injection (Expense)	(997)	(987)	1%	(997)	(309)	223%
Net Income After Tax	2,127	1,626	31%	2,127	558	281%
EPS (NTD)	0.38	0.29	31%	0.38	0.10	280%
EBITDA	8,573	8,099	6%	8,573	5,788	48%
EBITDA Margin(%)	70.6%	69.2%	-	70.6%	64.4%	-

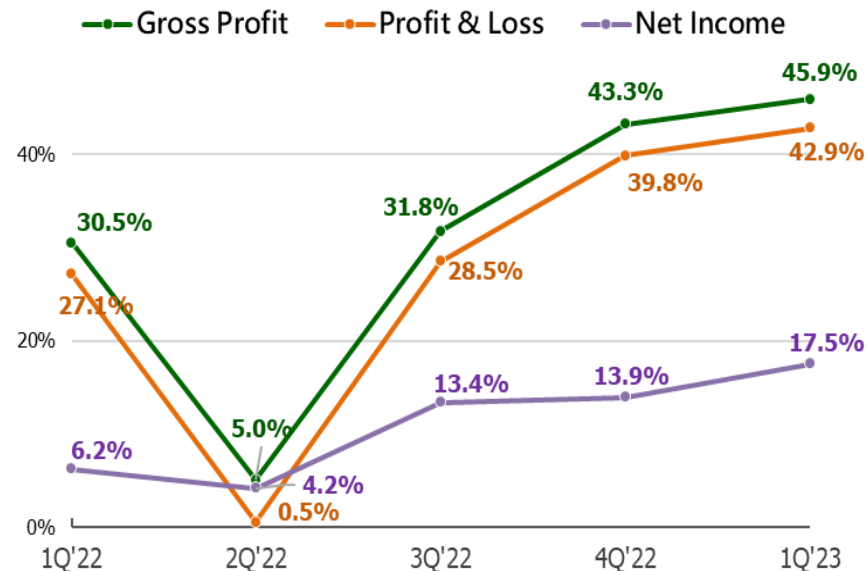
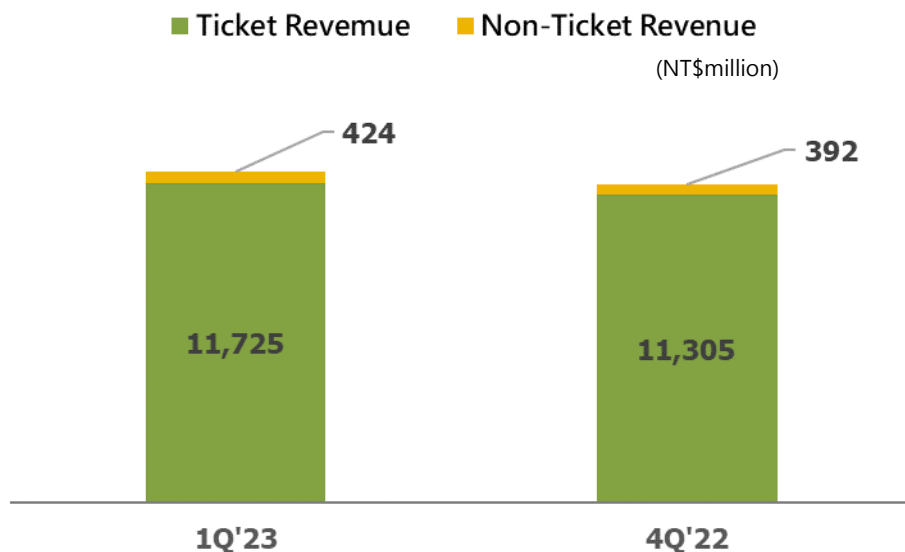


Pre-pandemic :

EBITDA CAGR ('16~'19) : **+ 5.5%**

EBITDA Margin ('16~'19): **72%~73%**

Revenue Structure and Profit & Loss



(NT\$million)	1Q'23	4Q'22	QoQ	1Q'23	1Q'22	YoY
Ticket Revenue	11,725	11,305	3.7%	11,725	8,625	35.9%
Non-Ticket Revenue	424	392	8.1%	424	366	15.9%
Total	12,149	11,697	3.9%	12,149	8,990	35.1%

	1Q'23	'22	'21
Gross Profit	45.9%	30.3%	15.0%
Profit & Loss	42.9%	26.7%	11.0%
Net Income	17.5%	10.2%	12.0%

Note: Non-ticket revenues mainly include: rental income, advertising sales, and trolley sales

Cash Flows



NT\$million

1Q'23

4Q'22

1Q'22

	1Q'23	4Q'22	1Q'22
Cash flows from operating activities	7,137	6,233	4,640
Cash flows from investing activities	(1,731)	(6,301)	6,442
Cash flows from financing activities	0	(8)	1
Cash and cash equivalent at the end of the period	21,972	16,559	32,704

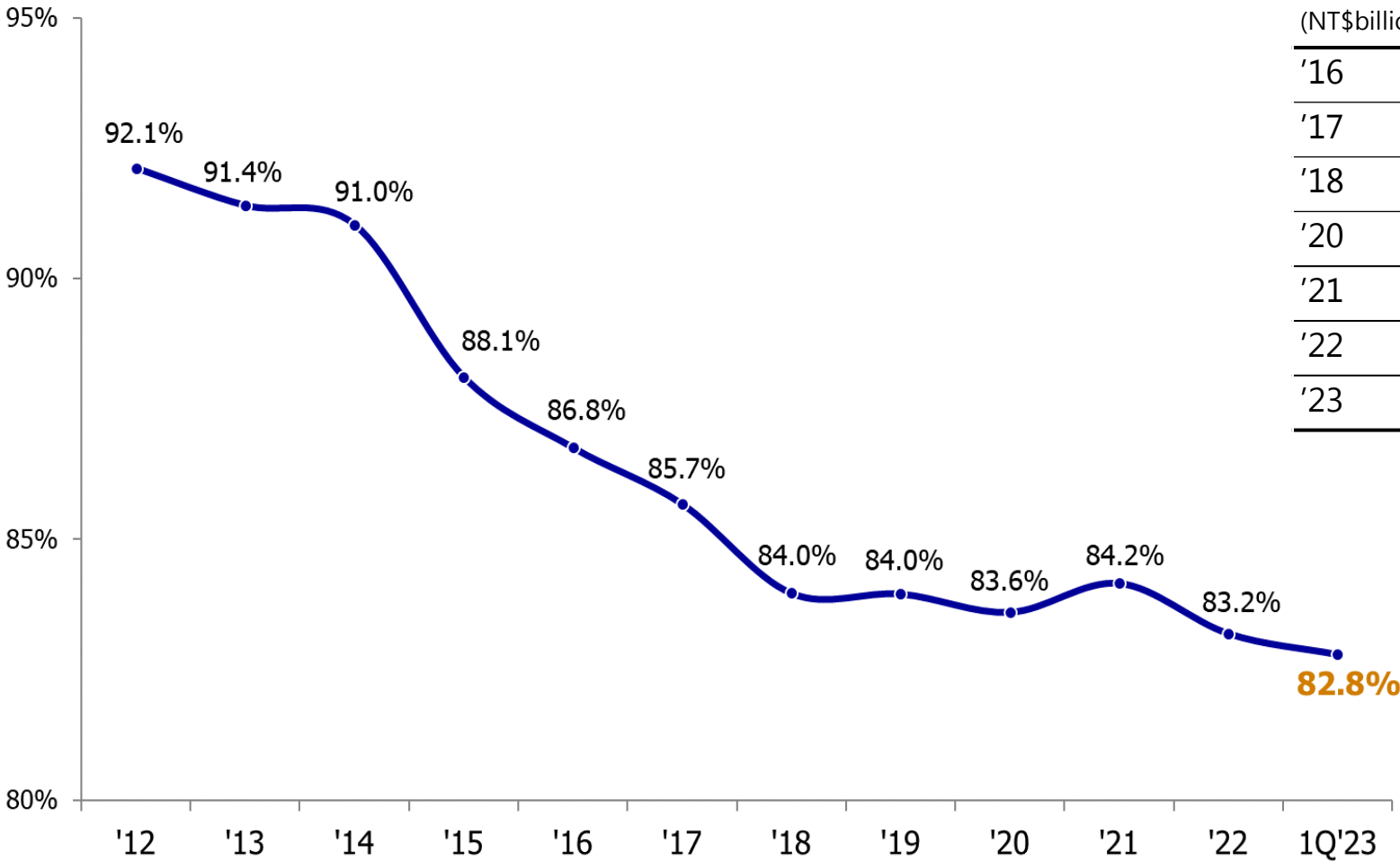
Financial Risk Management



Debt/Asset Ratio

Total early payment of syndicated loan, from 2016 to 2023.

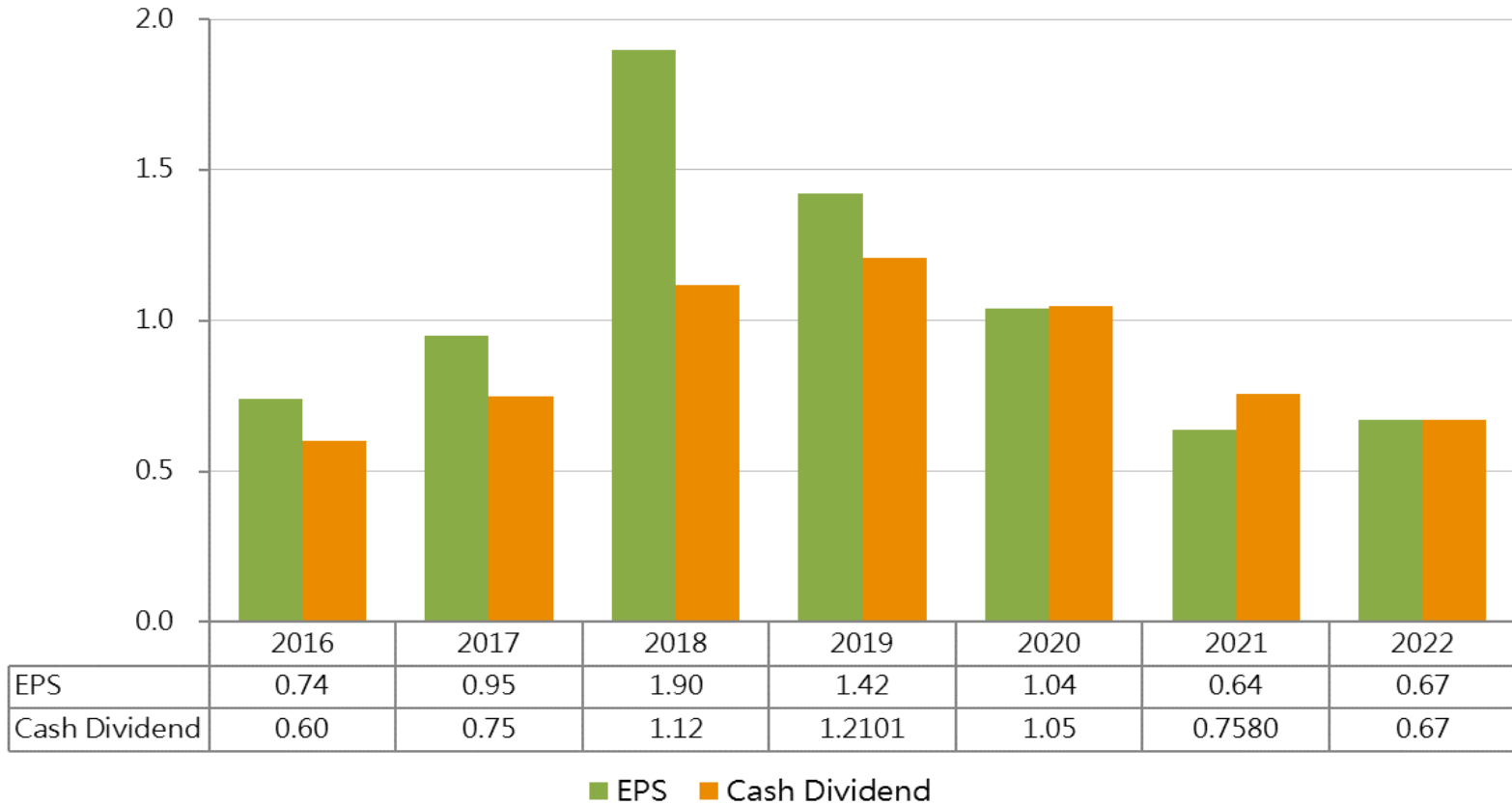
(NT\$billion)	Amount
'16	21.0
'17	41.2
'18	10.0
'20	18.5
'21	15.0
'22	25.0
'23	10.0
Total	140.7



EPS & Cash Dividend

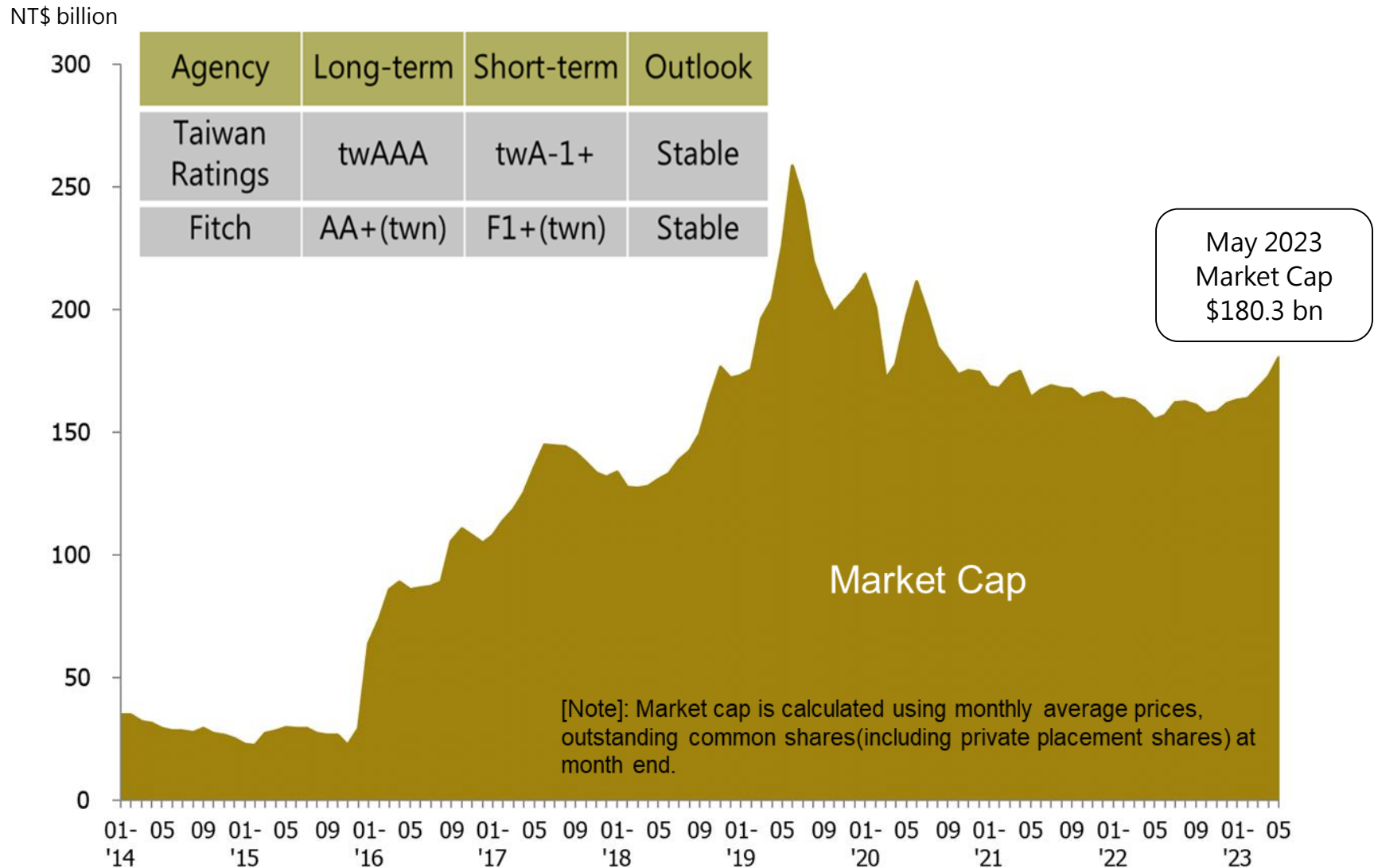


Unit : NT\$



Note: The calculation of earnings per share is based on the weighted average number of ordinary shares of 5.628 billion shares.

Corporate Credit Ratings & Market Cap





III 、 OPERATIONAL OUTLOOK



● Growth Momentum of Company's Operation

Respond to the basic needs of business and commuting, promote diversified tourism products, expand scope of channels, optimize mobile ticketing platform, strengthen THSR tourism brand, and enhance growth momentum of Company's operations:

- ✓ Launch diversified products in domestic tourism market, such as T Holiday and combo tickets (hotel, local travel, overseas).
- ✓ Expand e-commerce platform for tourism-related channels.
- ✓ Develop the promotion precision marketing of TGo Membership.
- ✓ In response to an aging society, optimize the software and hardware of service facilities.

● Financing Plan

- ✓ The interest rate hike stage of the Central Bank's moderate monetary tightening policy will depend on the degree of fluctuations in the overall economic cycle, the trend of capital flows in the money/capital market, the level of cash flow, and major capital expenditure plans (payment schedules for each period of train purchases) , to evaluate whether to early repay the syndicated loans and other financing plans.

● Procurement of New Generation Rolling Stock

- ✓ Purchase 12 sets of new trains with a contract value of JPY124.09 billion.
- ✓ New trains are expected to be delivered by the end of 2026 and start operation in 2027 to improve transportation capacity and service quality.

Corporation Sustainable Development

Through operational performance, corporate governance, environment, and social responsibility, THSRC responds to the eight UN Sustainable Development Goals (SDGs) to guide its efforts in achieving sustainability to contribute to Taiwan's sustainable development process.



Transportation

Improve operational safety, actively face the impact of climate change on transportation, establish relevant early warning mechanisms, and cooperate with the government to develop countermeasures to create positive value externally.

Technology

Promote smart transportation, continuously improve the efficiency and quality of operations, services, safety, and emergency decision-making, use big data and digitalization, optimize customer experience, and create a more convenient life.

THSRC Sustainability Strategies and Goals

Taiwan

Commit to creating multiple products and cross-industry cooperation in the business model, and becoming a platform that connects local better lives. Support the development capabilities of the local rail industry, establish a sustainable supply chain management mechanism, and promote the prosperity and development of the industry.

Touch

Improve the corporate social responsibility governance mechanism and integrate the corporate social responsibility vision into the corporate culture. Promote employee development, implement energy conservation and carbon reduction, actively support public welfare, art and ecological development, and serve as an important platform to unite Taiwanese society.



ESG Promote and Awards



- Construction of green building public spaces.
- Promote renewable energy stations.
- High-speed rail with low carbon, low pollution, and high energy efficiency.
- Strengthen the ability to respond to climate change.
- Properly manage the quality of the environment surrounding the track facilities to mitigate the impact on the environment during the operation.



- Help the development of the rail industry in Taiwan through cooperation with the local industry.
- Integrate the core business and invest in social care to promote the overall economic development.
- Establish a sustainable supply chain management mechanism.
- Attach importance to the safety and health of employees' working environment and career development.



- Abide by laws and regulations to create maximum value for stakeholders.
- Continue to promote the operation of the Corporate Governance Promotion Committee.
- Establish Information Security Management Committee, to implement information security measure in accordance with the requirements of the Cyber Security Responsibility Level A in Taiwan.
- Apply technology to provide fast and convenient transport services under the principle of safety first.



Received the Taiwan Corporate Sustainability Awards for 6 consecutive years.



Received top 5% ranking in the Corporate Governance Evaluation for 5 consecutive years.

Selected as a constituent of the FTSE4Good TIP Taiwan ESG Index for 4 consecutive years.



Selected as one of the Top 100 Global Sustainable Companies by Corporate Knights 2023 for the first time



To be the platform for advancement and enjoyment.



專業運輸

Transportation

To build professional transportation systems that provide high quality services and products.



創新科技

Technology

To implement intelligent transportation that improves operational efficiency and quality, and enhances services, safety, and emergency responses.



深耕在地

Taiwan

To combine unique local cultures and landscapes to create a multicultural platform.



永續關懷

Touch

To establish brand culture, enhance talent skills and corporate efficiency, and participate in social caring and environmental protection.



To learn more about THSRC,
please visit
<http://www.thsrc.com.tw>

