

Ticker Symbol: 2633



Taiwan High Speed Rail Corporation

1~3Q'2020 Operation Report

11/26/2020



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AGENDA

I. BUSINESS OVERVIEW

II. FINANCIAL OVERVIEW

III. MARKET OVERVIEW & CSR PERFORMANCE



I. BUSINESS OVERVIEW

1. High-Speed Rail Network
2. Operational Performance

1、High-Speed Rail Network



營運路線全長
Length of
Operating Routes

350 km

○
服務車站數
Stations

12

⬡
維修基地數
Maintenance
Depots

5

沿線經過11 縣市、76 個鄉鎮市區
11 cities/counties and 76 townships

南港、台北、板橋、桃園、
新竹、苗栗、台中、彰化、
雲林、嘉義、台南、左營
Nangang, Taipei, Banqiao, Taoyuan,
Hsinchu, Miaoli, Taichung, Changhua,
Yunlin, Chiayi, Tainan, and Zuoying

新竹六家、台中烏日、嘉義太保、
高雄左營、高雄燕巢（總機廠）
Liujia (Hsinchu), Wuri (Taichung), Taibao
(Chiayi), Zuoying (Kaohsiung), and
Yanchao Main Workshop (Kaohsiung)

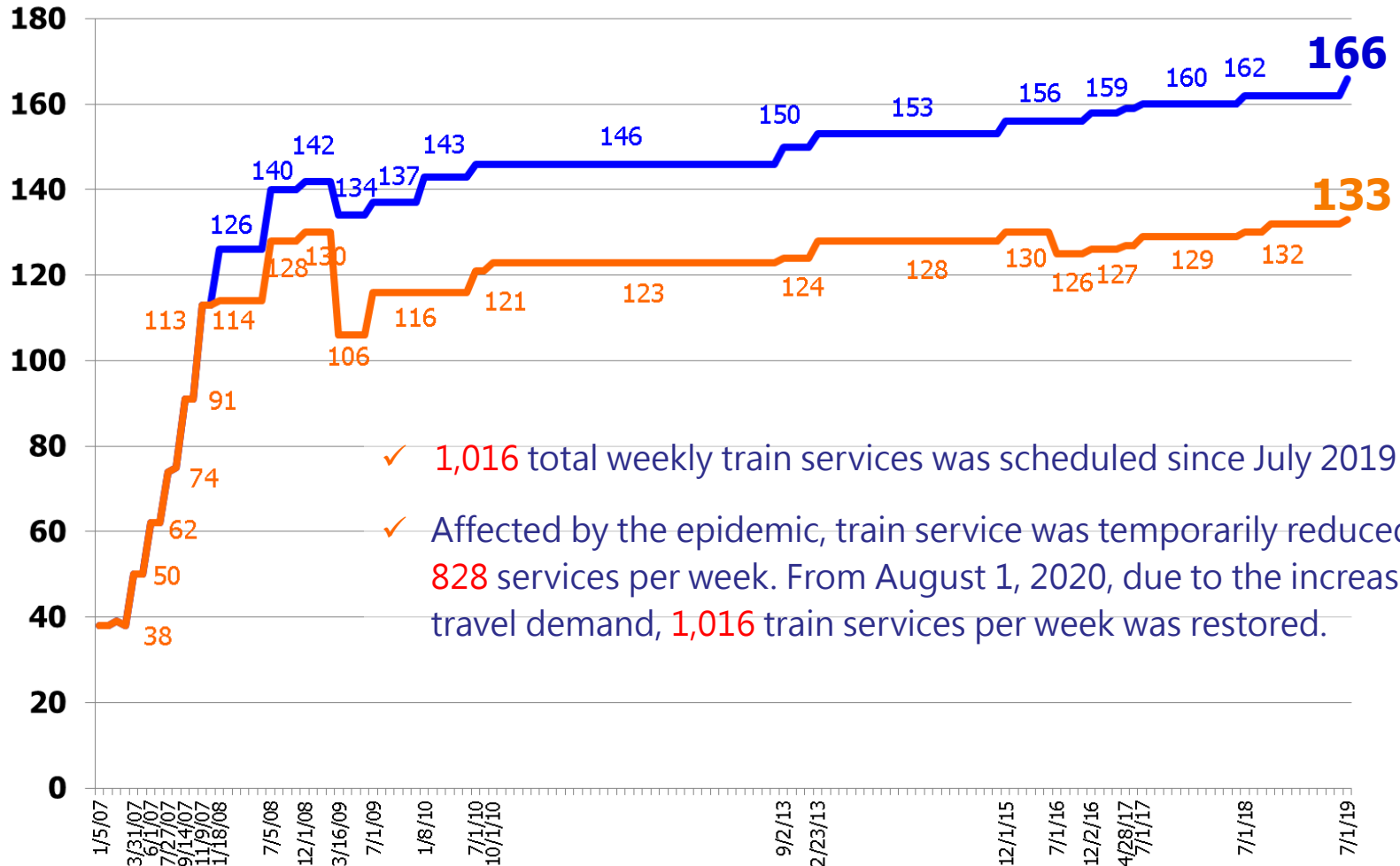
2、Operational Performance



1. Train Frequency

(Daily Frequency)

- Daily Two-way Service (WEEKEND)
- Daily Two-way Service (WEEKDAY)



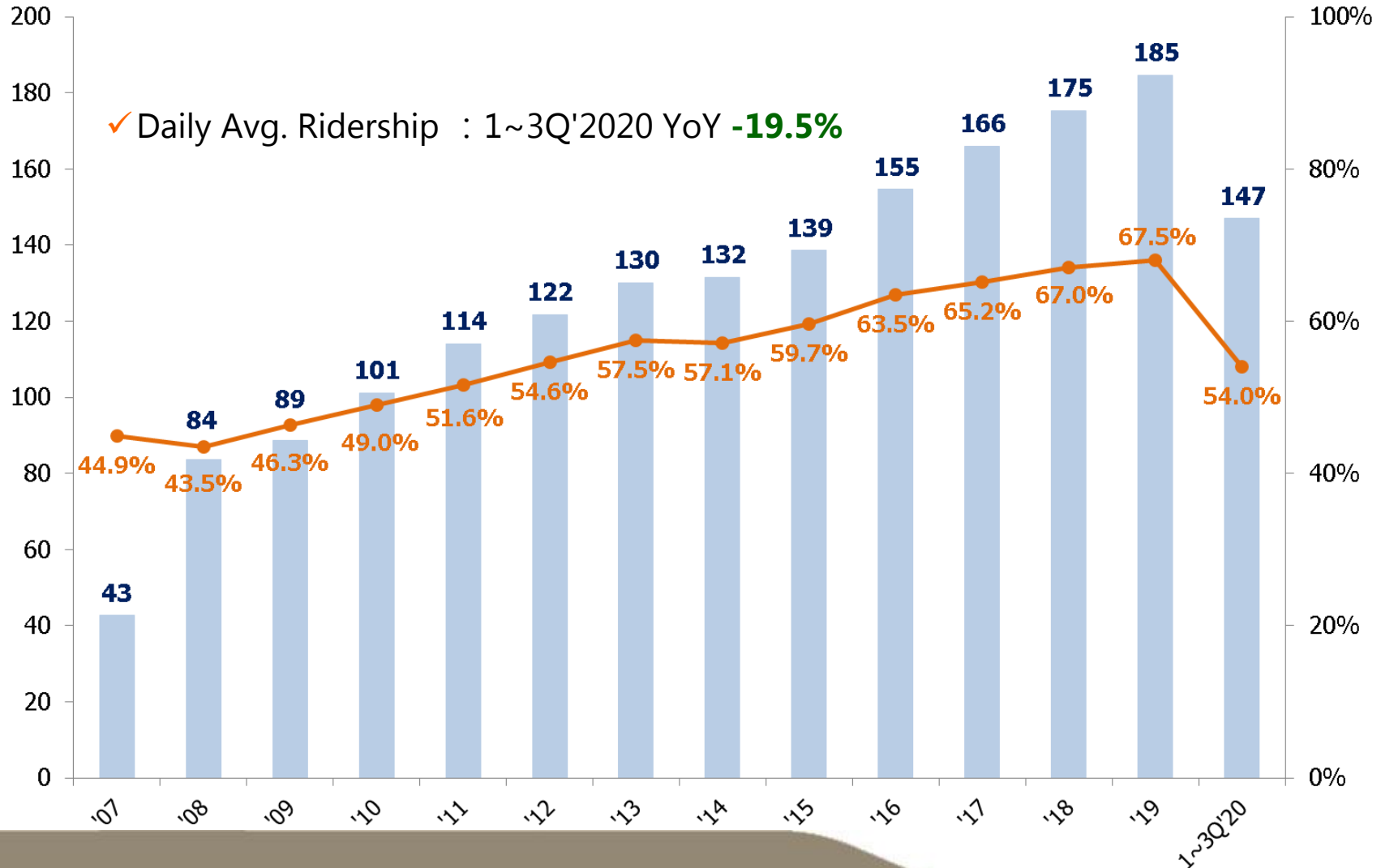
- ✓ 1,016 total weekly train services was scheduled since July 2019
- ✓ Affected by the epidemic, train service was temporarily reduced to 828 services per week. From August 1, 2020, due to the increase in travel demand, 1,016 train services per week was restored.

2. Ridership & Loading Factor



Load Factor (%)

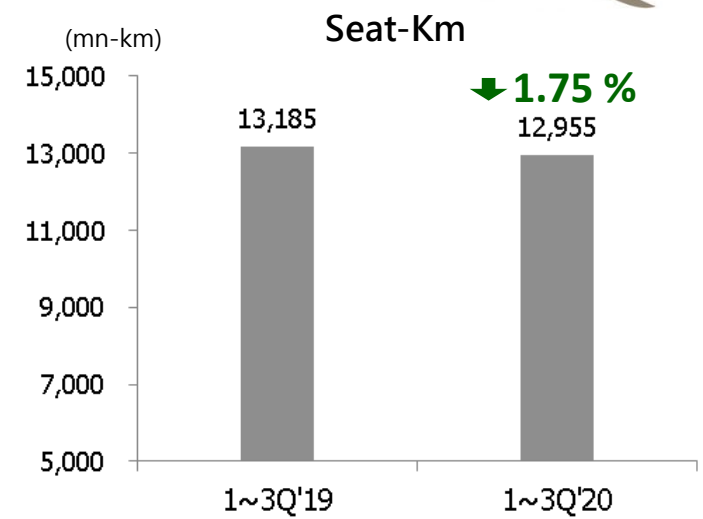
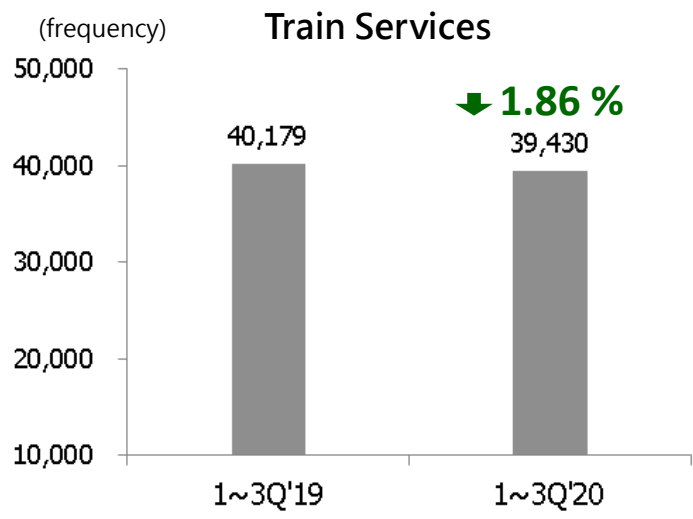
(thousand persons/day)



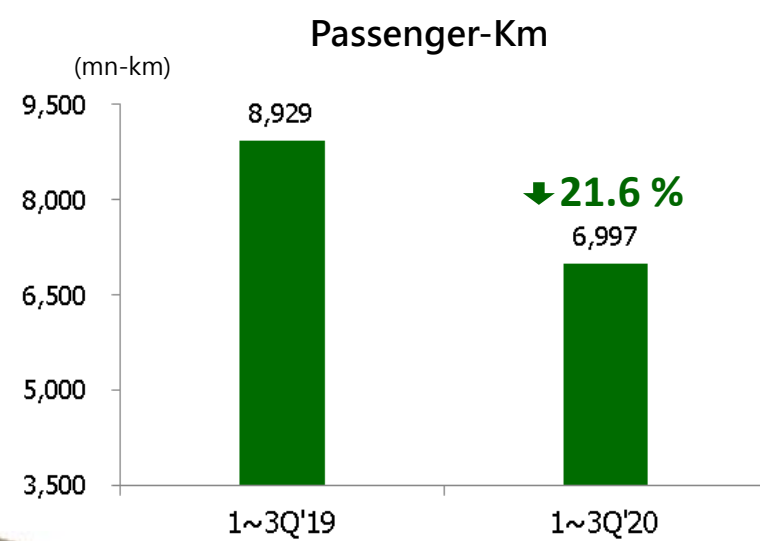
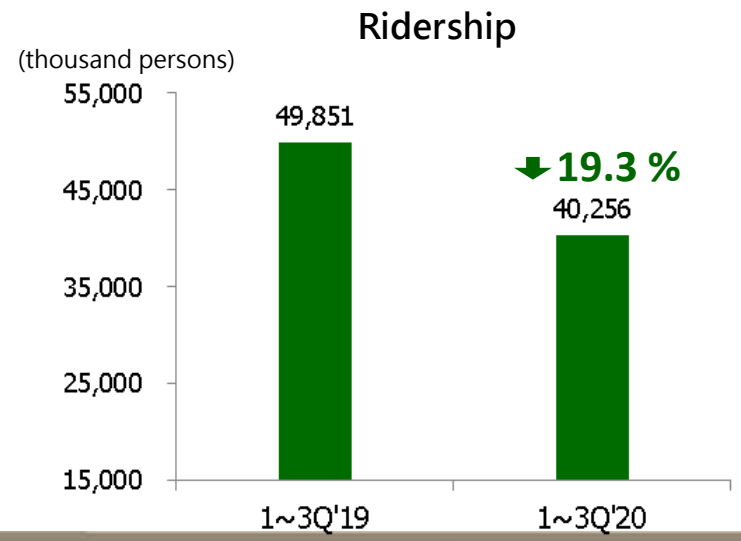
3. Trend of Transportation Capacity & Volume(1~3Q'2020 vs. 1~3Q'2019)



Transportation Capacity



Transportation Volume



4. Operational Performance



	2020.01.01 ~ 2020.9.30	2007.01.05 ~ 2020.9.30
Train Services	39,430	658,090
Cumulative Passengers (million passengers)	40.3	636.4
Passenger Kilometers (million-km)	6,997	121,381
Loading Factor	54.0%	56.7%
Reliability	100%	99.67%
Punctuality (delay < 5min)	99.86%	99.52%
Avg. Delay Time (min)	0.08	0.19
Accidents resulting in Liabilities	0	0



II. FINANCIAL OVERVIEW

1. Financial Performance
2. Financial Risk Management
3. Corporate Credit Rating & Market Cap
4. Recent Major Events and Activities

1. Financial Performance



1. Income Statement (1~3Q'2020 vs. 1~3Q'2019)

(NT\$m)	1~3Q'2020		1~3Q'2019		Variance Amount	Var. %
Operating revenue	27,629	100%	35,308	100%	(7,679)	-21.7%
Operating costs	(19,371)	-70%	(19,033)	-54%	(338)	1.8%
Gross Profit	8,258	30%	16,275	46%	(8,017)	-49.3%
Operating expenses	(859)	-3%	(870)	-2%	11	-1.3%
Net Operating Income	7,399	27%	15,404	44%	(8,005)	-52.0%
Non-operating income and expenses						
Interest expenses	(4,481)	-16%	(4,820)	-14%	339	-7.0%
Stabilization reserve	(251)	-1%	(4,768)	-13%	4,517	-94.7%
Others	315	1%	177	-	138	78.0%
Net Income before tax	2,982	11%	5,994	17%	(3,012)	-50.3%
Income tax	294	1%	158	-	136	86.1%
Net Income	3,276	12%	6,152	17%	(2,876)	-46.7%
EPS	0.58		1.09			



2. Balance Sheets

(NT\$m)	2020.9.30	2019.12.31	2019.9.30
Current assets	32,074	42,710	26,790
Operating concession asset	380,808	390,113	392,809
Other non-current assets	10,266	10,236	10,153
Total assets	423,148	443,060	429,751
Current liabilities	5,344	13,279	9,800
Non-current liabilities	350,262	358,703	350,690
Total liabilities	355,606	371,982	360,490
Common stock	56,283	56,283	56,283
Capital surplus	173	173	173
Legal reserve & unappropriated earnings	11,086	14,621	12,806
Total equity	67,542	71,077	69,261
Total liabilities & equity	423,148	443,060	429,751



3. Statement of Cash Flows

(NT\$mn)	2020.9.30	2019.12.31	2019.9.30
Cash & cash equivalents at the beginning of the period	16,272	6,948	6,948
Cash flows from operating activities	(6,126)	28,546	20,302
Cash flows from investing activities	6,051	(12,761)	(12,035)
Cash flows from financing activities	(14,914)	(6,462)	(14,446)
Net increase in cash & cash equivalents	(14,988)	9,324	(6,178)
Cash & cash equivalents at the end of the period	1,283	16,272	770

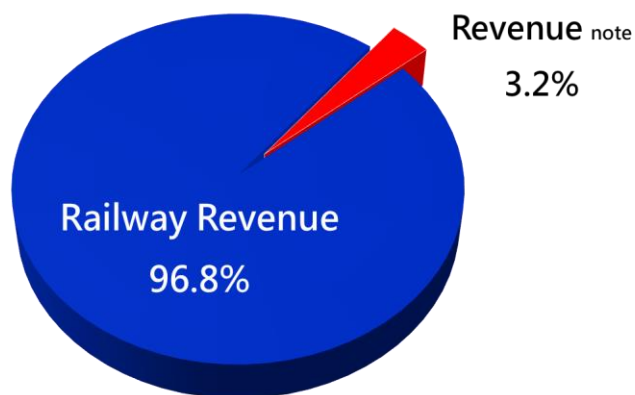


4. Net Profits & Operating Revenues

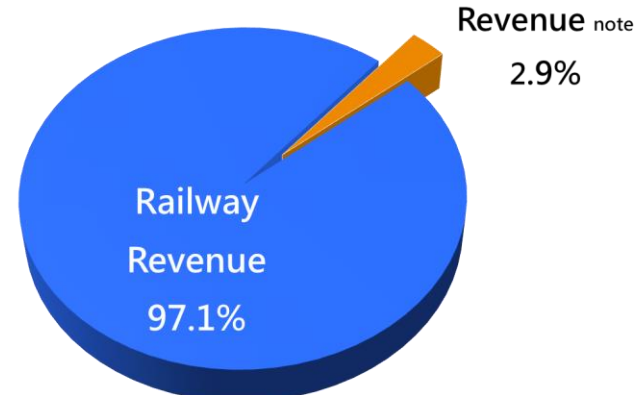
1) Revenue Structures

(NT\$bn)	1~3Q'2020	1~3Q'2019	YoY
Railway Revenue	26.73	34.27	-22.0%
Non-railway Revenue	0.90	1.04	-14.0%
Total	27.63	35.31	-21.7%

1~3Q'2020 Revenue Mix



1~3Q'2019 Revenue Mix

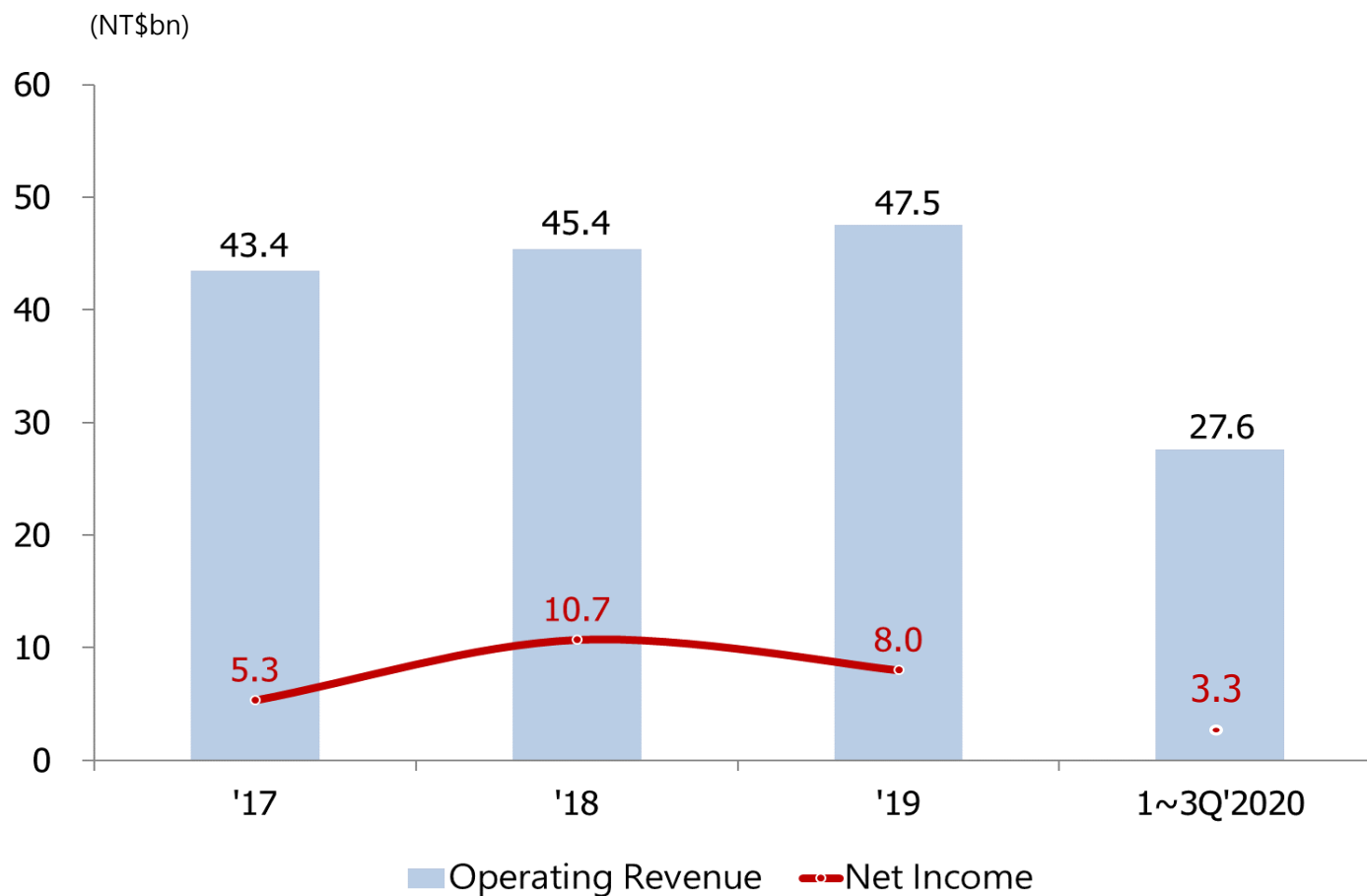


Note: Non-railway revenues mainly include rental incomes, advertising revenues, and onboard sales.

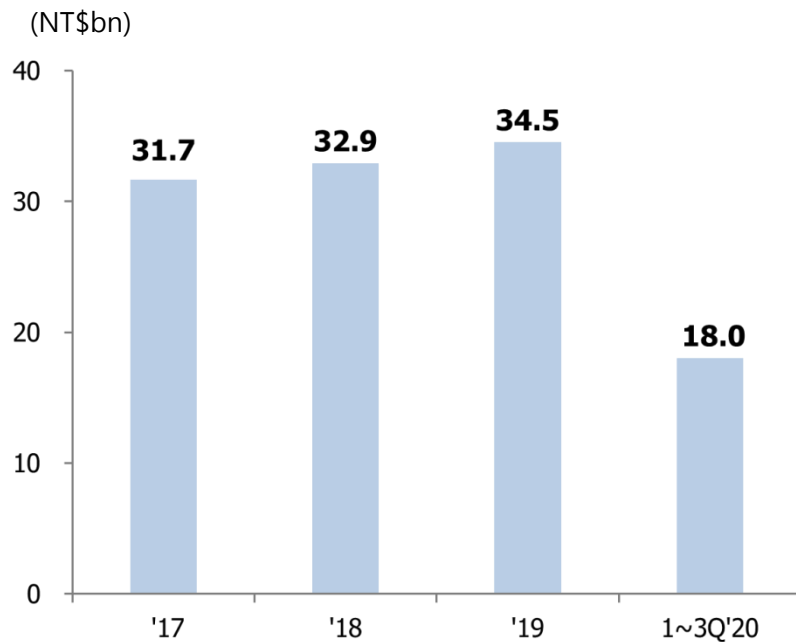


4. Net Profits & Operating Revenues

2) Operating Revenue and Net Income

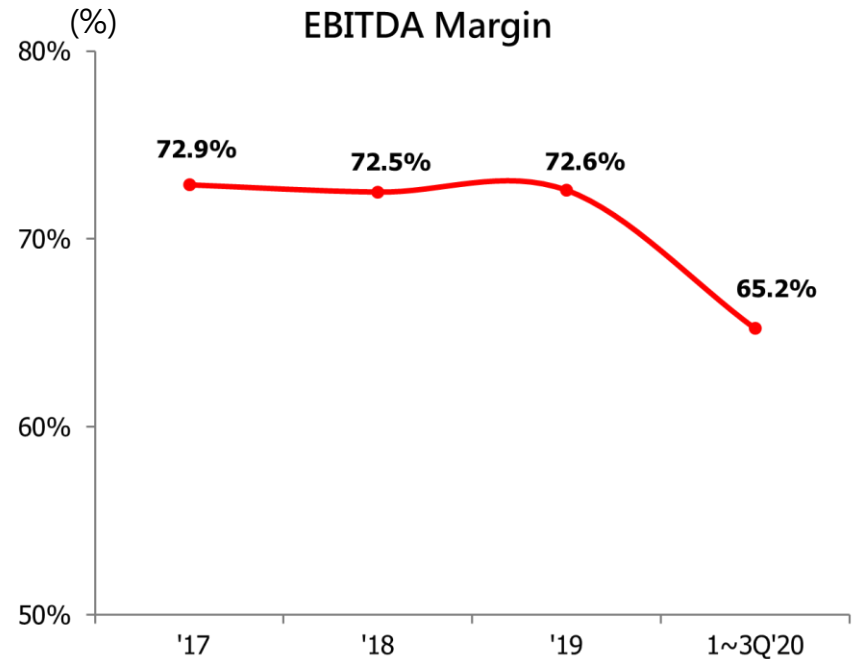


5. Operational Efficiency : EBITDA & EBITDA Margin



✓ EBITDA

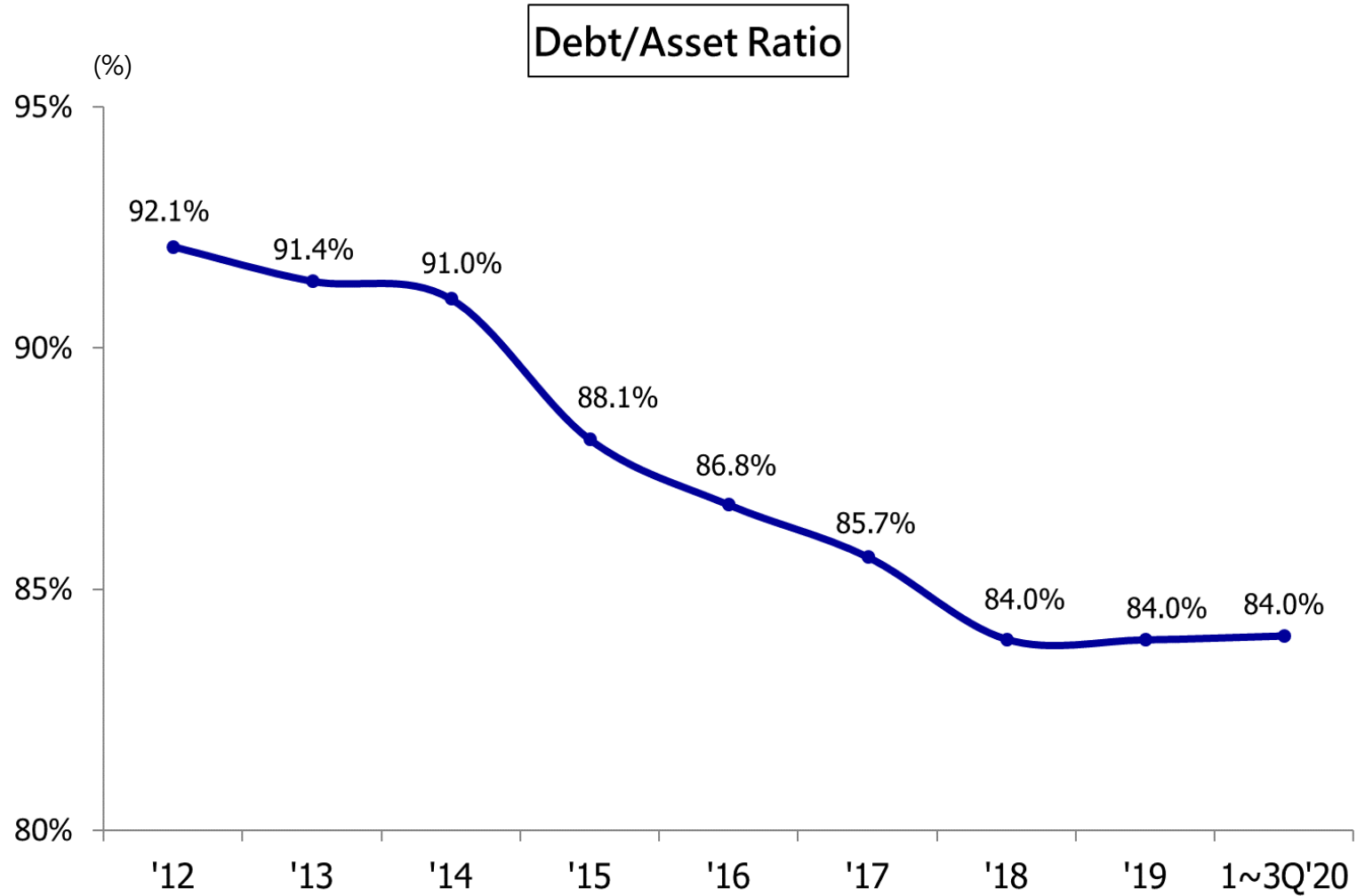
- 1~3Q'2020: YoY **-30%**



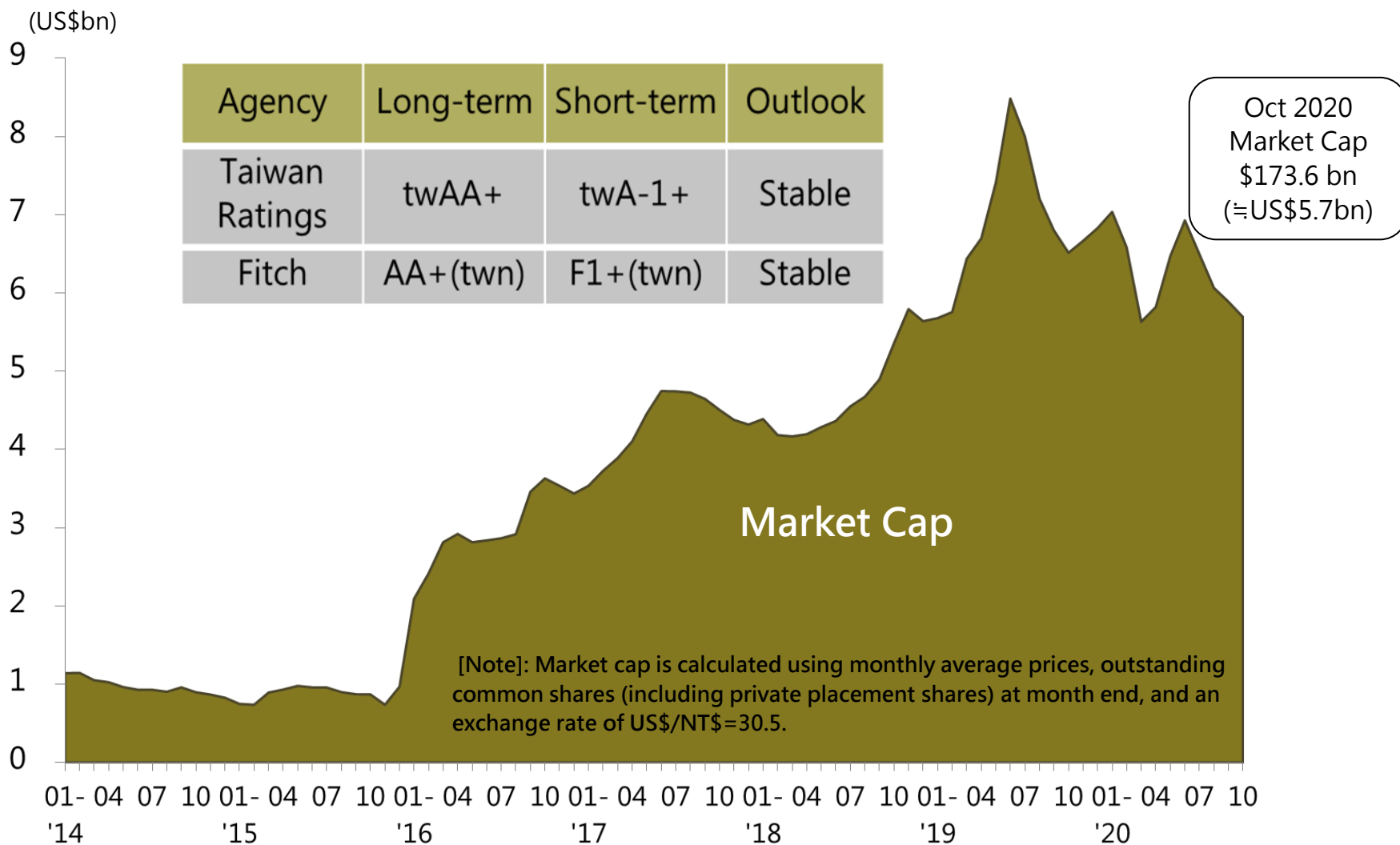
✓ EBITDA Margin

- '17~'19: 72%~73%
- Due to impact of pandemic, EBITDA Margin reduced to 65.2%

2. Financial Risk Management



3. Corporate Credit Ratings & Market Cap



4. Recent Major Events and Activities



Date	Events
2020.2	<ul style="list-style-type: none">✓ The Company applied to the bank syndicate to amend part of terms of the "Taiwan' s North-South High Speed Rail Construction and Operation Project NT\$382 billion Syndicated Loan Agreement" on the provision of reserve account, investment restrictions and prepayment order.
2020.3	<ul style="list-style-type: none">✓ Early repayment of the Tranche A facility syndicated loan principal in an amount of NT\$8 billion.
2020.5	<ul style="list-style-type: none">✓ Board resolved to issue a not exceeding 30-year period of unsecured corporate bond in the amount to no more than NT\$15 billion.✓ The 2020 Annual Shareholders' Meeting approved the 2019 dividend distribution and elected Directors of the 9th Board.
2020.7	<ul style="list-style-type: none">✓ Issued unsecured corporate bonds for the first time in 2020, with a 30-year period of issuance, at fixed annual interest rate of 1.30%, and total amount of NT\$10.5 billion.✓ Early repayment of the Tranche A facility syndicated loan principal in an amount of NT\$10.5 billion.



III. MARKET OVERVIEW & CSR PERFORMANCE

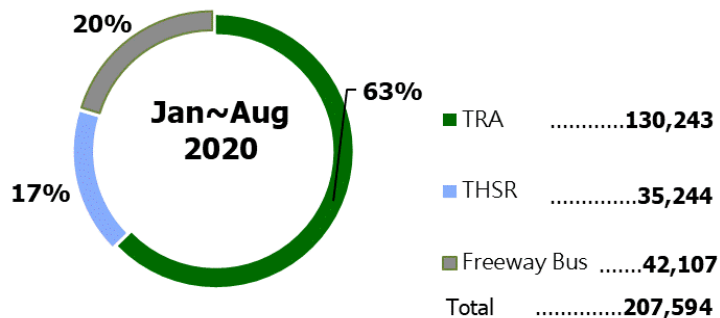
1. Inter-City Public Transport Market
2. CSR Performance

1. Inter-City Public Transport Market



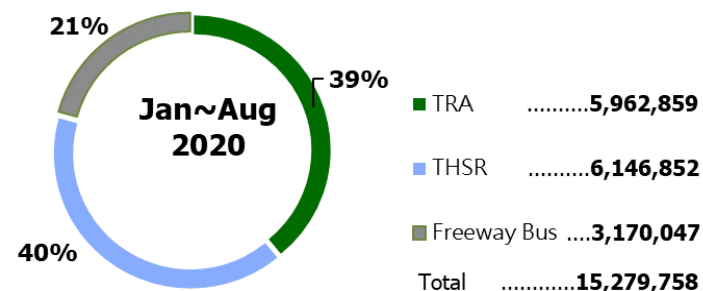
Passenger
(thousand persons)

Passenger Proportions

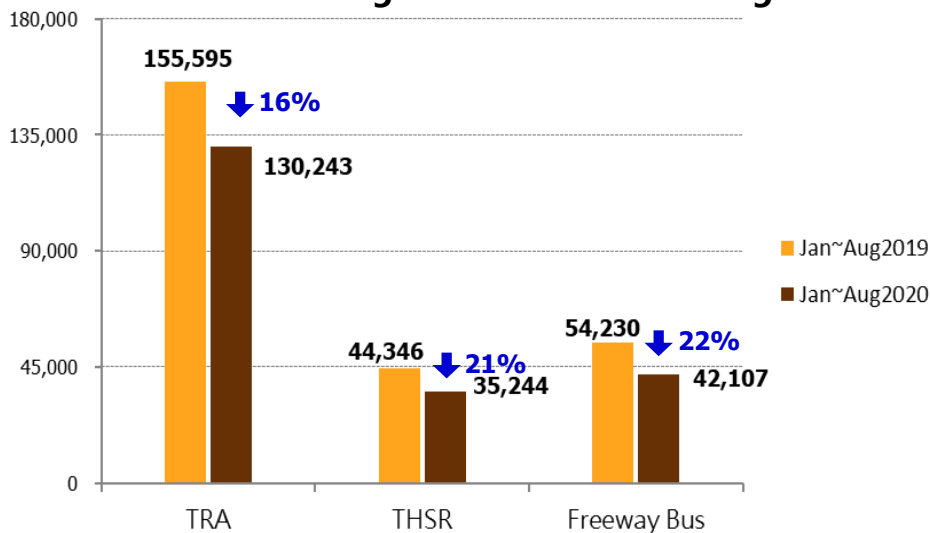


Passenger-km
(thousand persons-km)

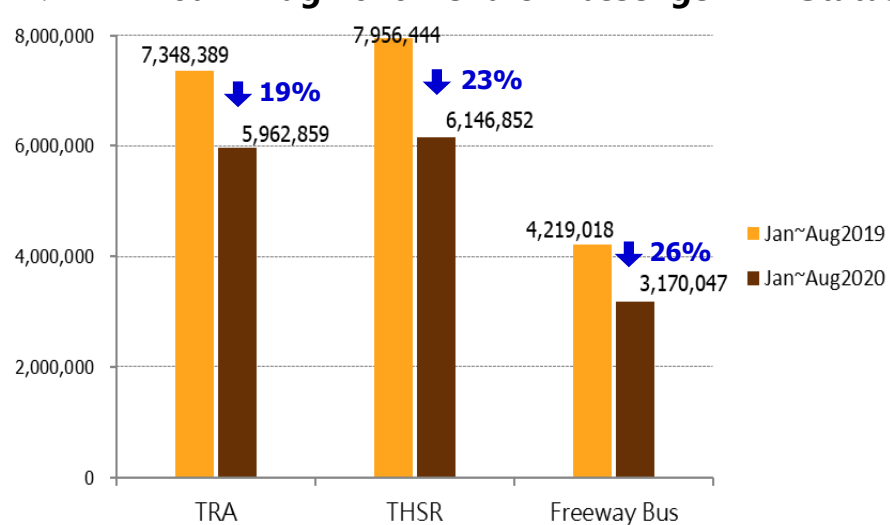
Passenger-km Proportions



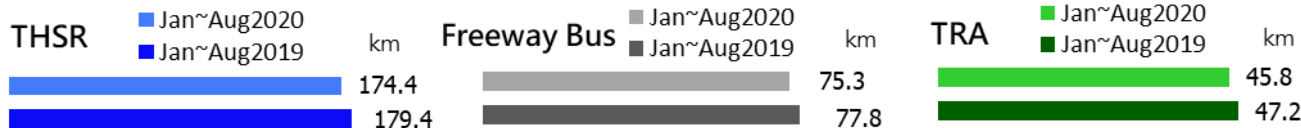
(thousand persons) **Jan~Aug 2020 Trend of Passenger Status**



(thousand persons-km) **Jan~Aug 2020 Trend of Passenger-km Status**



Avg. Passenger Distance



Source : MoTC

2. CSR Performance



Performance Highlights

- ✓ 2020.07 Obtained the "Corporate Governance System Evaluation" certification from the Taiwan Corporate Governance Association.
- ✓ 2020.07 Continued to be selected by and listed in the "FTSE4Good Index Series."
- ✓ 2020.07 Listed in the "Taiwan Employment Creation 99 Index."
- ✓ 2020.06 Continued to be selected by and listed in the "FTSE4Good TIP Taiwan ESG Index."
- ✓ 2020.04 Taiwan Stock Exchange presented THSRC with a "Top 5% of Corporate Governance Evaluations Award" for the third consecutive year.
- ✓ 2019.10 Awarded for the 11th time as an excellent performance organization in green procurement and green consumption promotion by the Environmental Protection Administration in 2019.
- ✓ 2019.07 Listed in the "TWSE Corporate Governance 100 Index."
- ✓ 2018.11 Received an outstanding award in "2018 Low-Carbon Product Awards" by the Environmental Protection Administration, the THSRC was the first award-winning transport operator.
- ✓ 2014.11 Awarded with the carbon footprint certificate for high-speed rail service, the THSR was the first domestic transportation vehicle to obtain eco-label.

Conclusion



Vision: To be the platform for advancement and enjoyment.

Integrate technology into services for new 4T smart and convenient life.

THSRC strives to be one of the top ten brands in Taiwan.



運輸
ransportation

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



科技
echnology

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



在地
aiwan

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



關懷
ouch

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>

