

Ticker Symbol: 2633



# Taiwan High Speed Rail Corporation 1H, 2022 Operation Report

2022.9.02



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# AGENDA

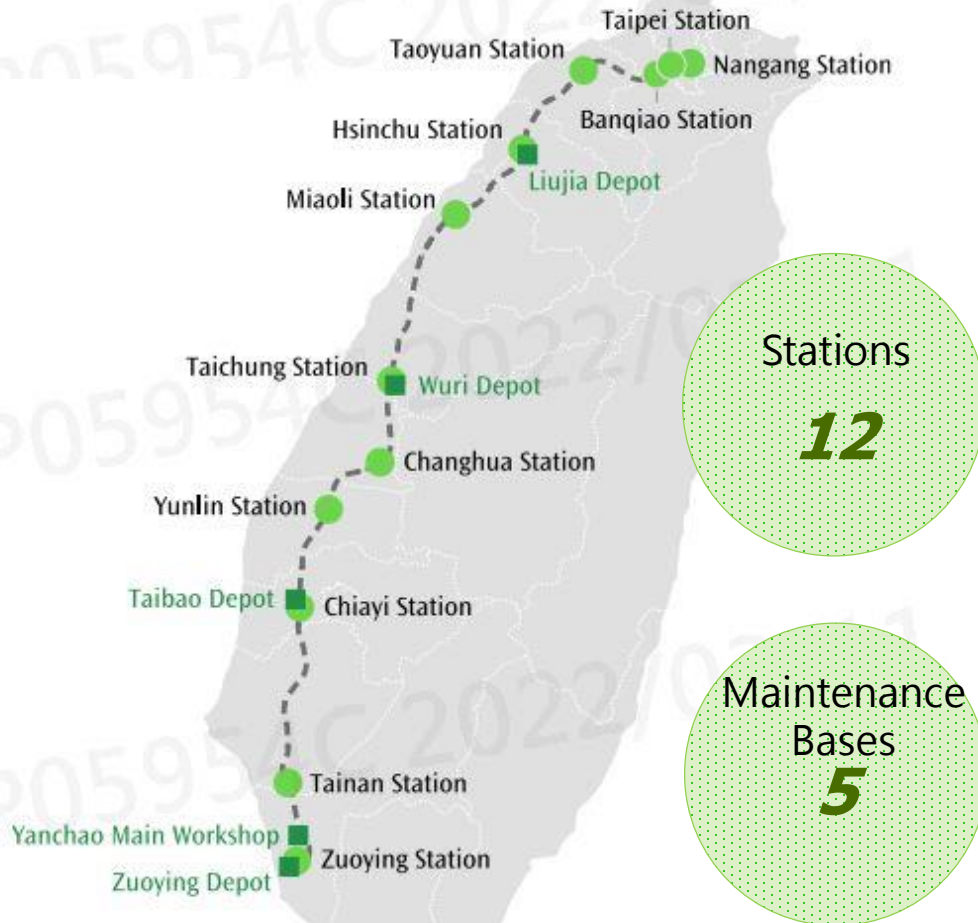
I. OPERATIONAL OVERVIEW

II. FINANCIAL RESULTS

III. OPERATIONAL OUTLOOK

# I. OPERATIONAL OVERVIEW

# 1. High-Speed Rail Network & Business Scope



## Business Scope



### Passenger Transportation Services

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



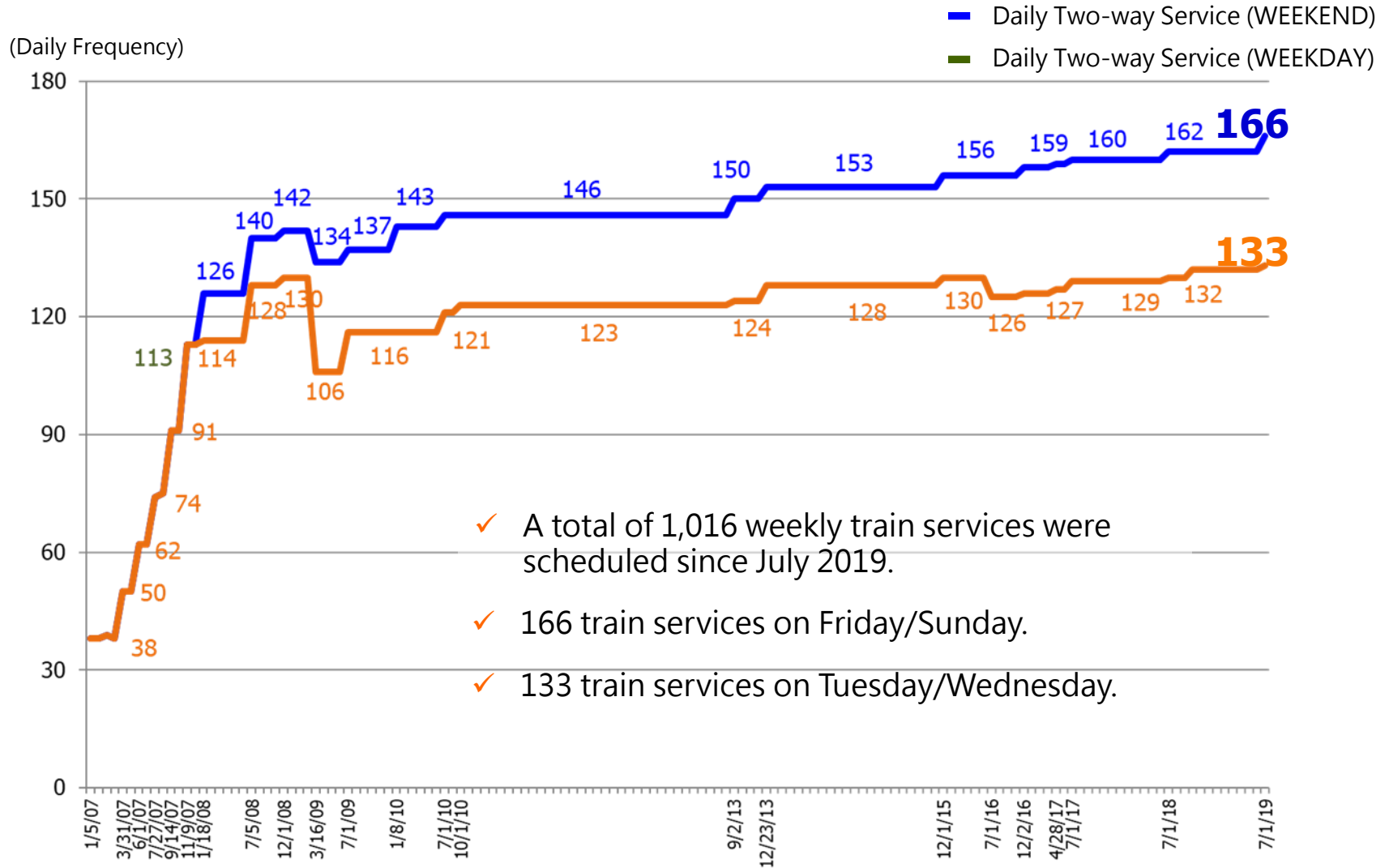
### Operation of Affiliated Business

- 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

## 2. Operational Performance



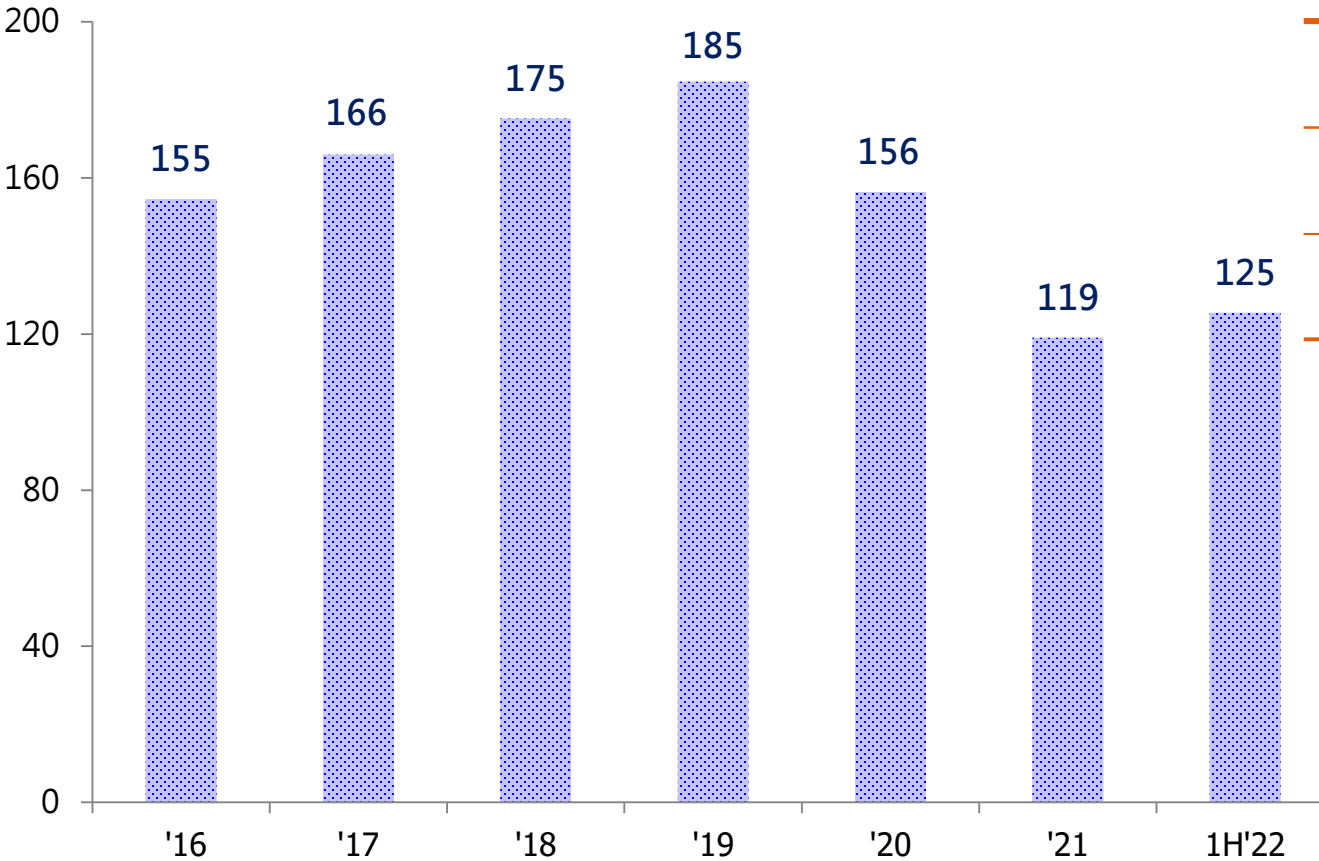
### Train Frequency



# 1H, 2022 Daily Average Ridership



(thousand persons/day)



## Daily Avg. Ridership Growth Rate

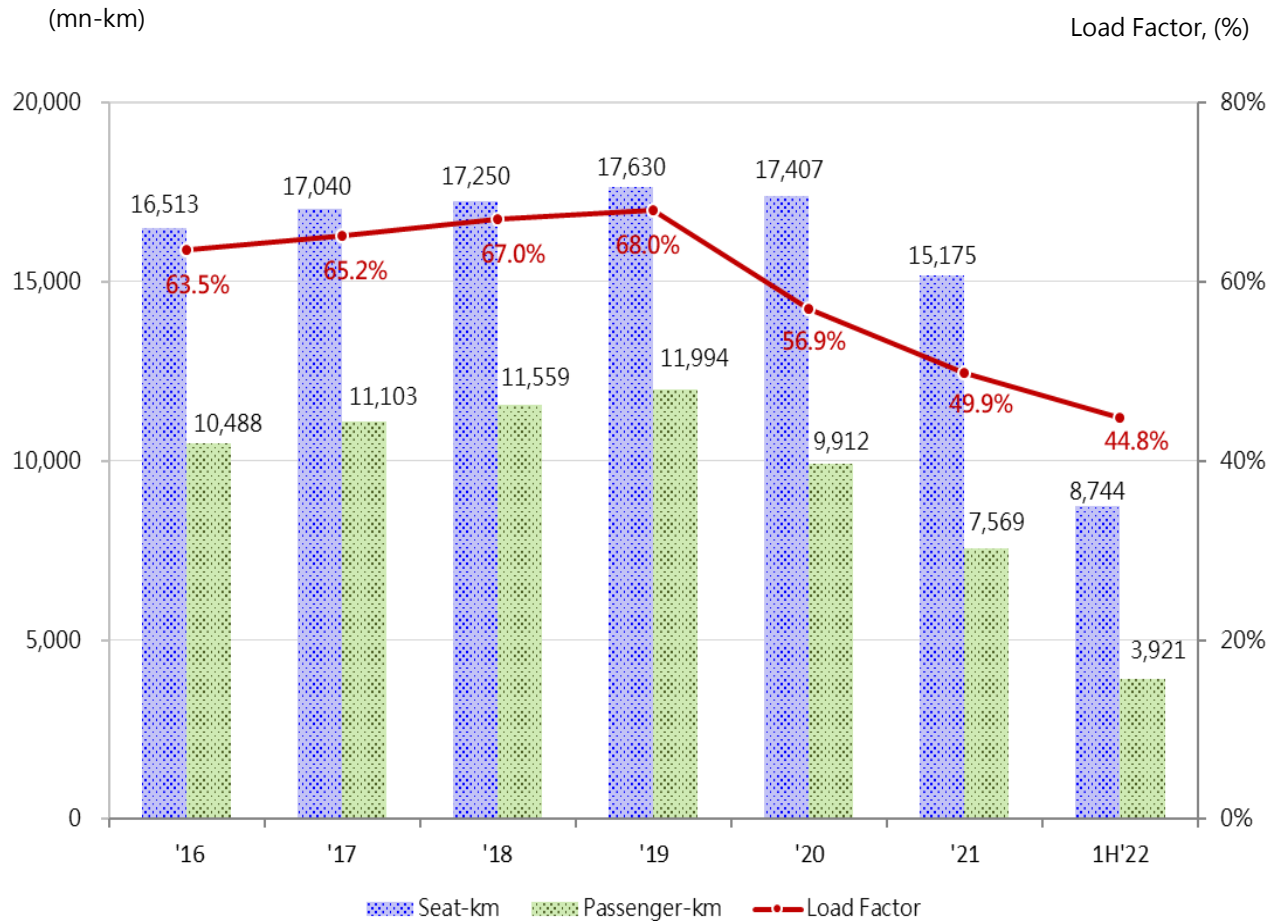
2Q'22 (QoQ)	-25.6%
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1H'22 (YoY)	-1.4%
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Pre-pandemic CAGR('16~'19)	+ 6.1%
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- ✓ In 2Q 2022, due to the sharp rise in local pandemic, the demand for travel was impacted, resulting in a quarterly decline of 25.6% in daily ridership.

# 1H 2022 Transportation Capacity, Transportation Volume & Load Factor



	Seat-km Growth Rate	Passenger-km Growth Rate
2Q'22 (QoQ)	-1.5%	-26.7%
1H'22 (YoY)	+8.9%	-1.9%
Pre-pandemic CAGR('16~'19)	+ 2.2%	+ 4.6%

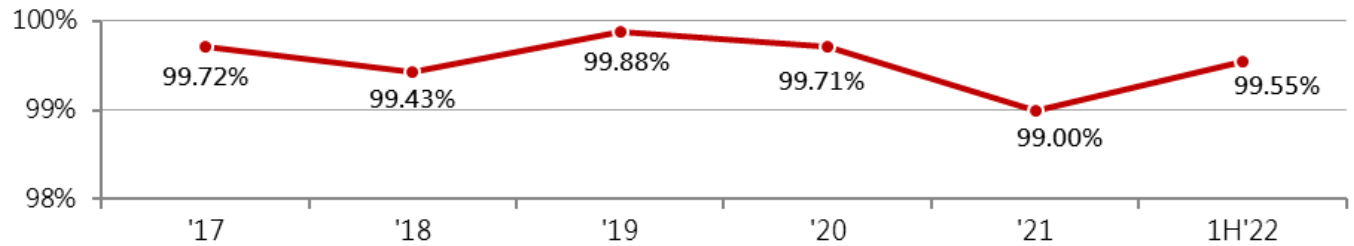
✓ The load factor in May was 29.9%, which was the bottom of the first half of the year. With the gradual alleviation of local pandemic, the load factor showed a monthly upward trend.



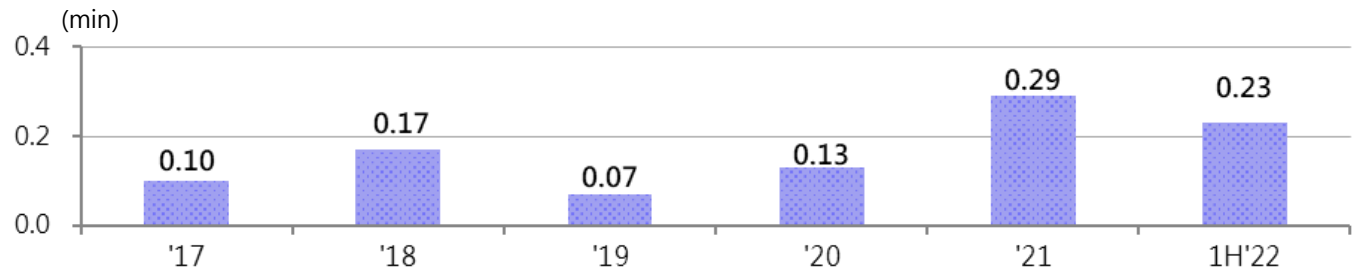
# 5-year Operational Performance



**Punctuality  
(Delay < 5min)**



**Avg. Delay Time**



**Accidents  
resulting in  
Liabilities**

	'17	'18	'19	'20	'21	1H'22
Accidents resulting in Liabilities	0	0	0	0	0	0



## II. Financial Results

# 1. Profit & Loss and Financial Results



NT\$million	2Q'22 Amount	1Q'22 Amount	QoQ	1H'22 Amount	1H'21 Amount	YoY
Operating Revenue	6,666	8,990	-26%	15,656	15,970	-2%
Net Income	33	2,438	-99%	2,472	2,485	-1%
Interest Expense	(1,530)	(1,427)	7%	(2,956)	(2,843)	4%
Stabilization Injection(Expense)	1,567	(309)	-608%	1,259	2,423	-48%
Income After Tax	278	558	-50%	836	1,867	-55%
EPS (\$)	0.05	0.10	-50%	0.15	0.33	-55%
EBITDA	3,450	5,788	-40%	9,237	9,605	-4%
EBITDA Margin(%)	51.8%	64.4%	-	59.0%	60.1%	-

Note : Pre-pandemic EBITDA CAGR ('16~'19) : **+ 5.5%**

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

## 2. Cash Flows



NT\$million	2Q'22	1Q'22	1H'22	1H'21
Cash flows from operating activities <sup>note1</sup>	(7,007)	4,640	(2,366)	7,972
Capital expenditures	1,026	1,572	2,597	1,655
Cash flows from financing activities <sup>Note2</sup>	(18,076)	1	(18,075)	21
Cash and cash equivalents at the end of the period	19,537	32,704	19,537	22,249

Note1: In 2Q 2022, a profit sharing payment of NT\$8.05 billion was paid.

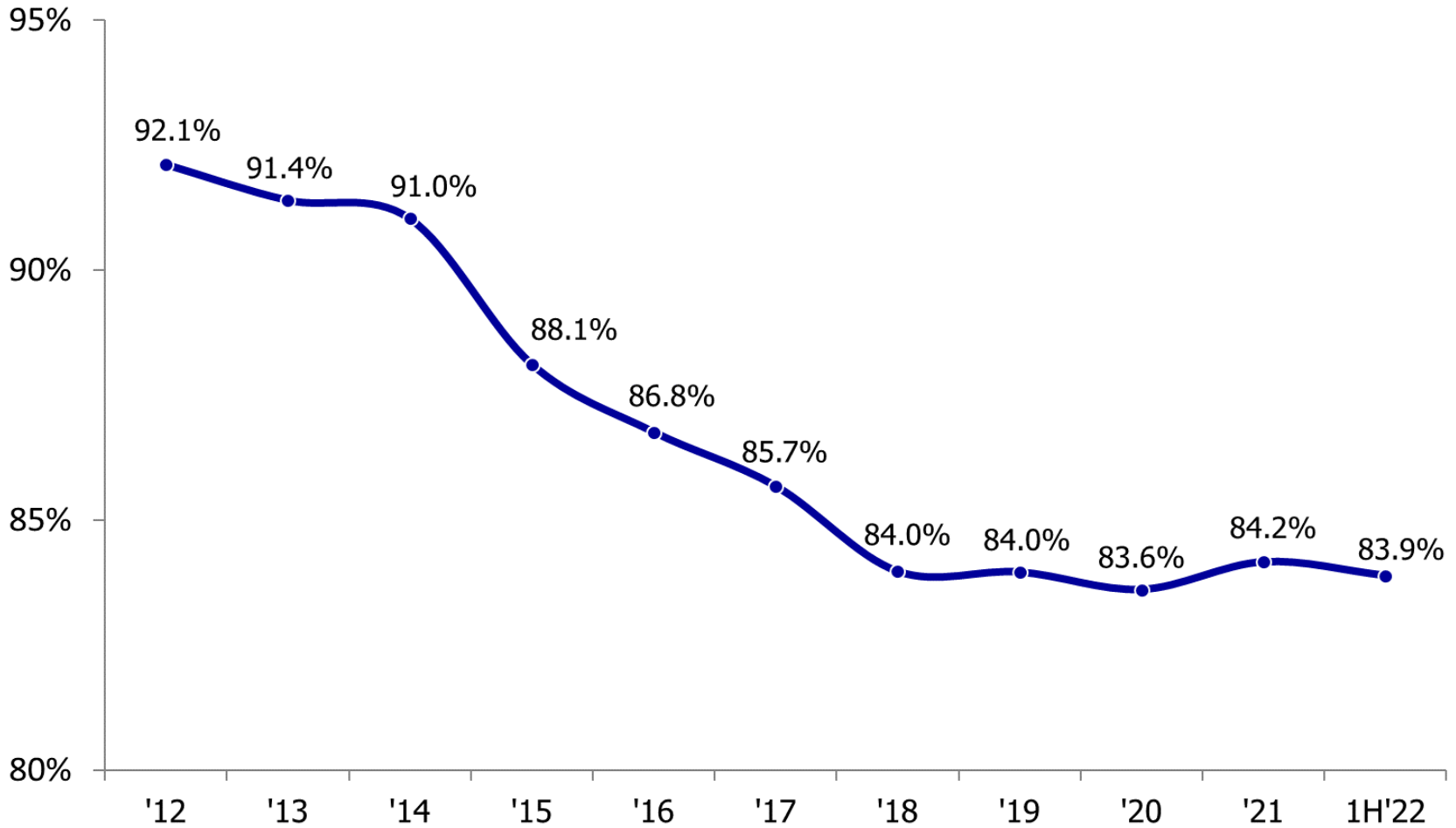
Note2: In 2Q 2022, NT\$7 billion of commercial paper was issued, and part of the principal of the syndicated loan of NT\$ 25 billion was early prepaid.

Note3: Capital expenditure is calculated on the basis of acquisition of property, plant and equipment, and acquisition of intangible assets.

### 3. Financial Risk Management



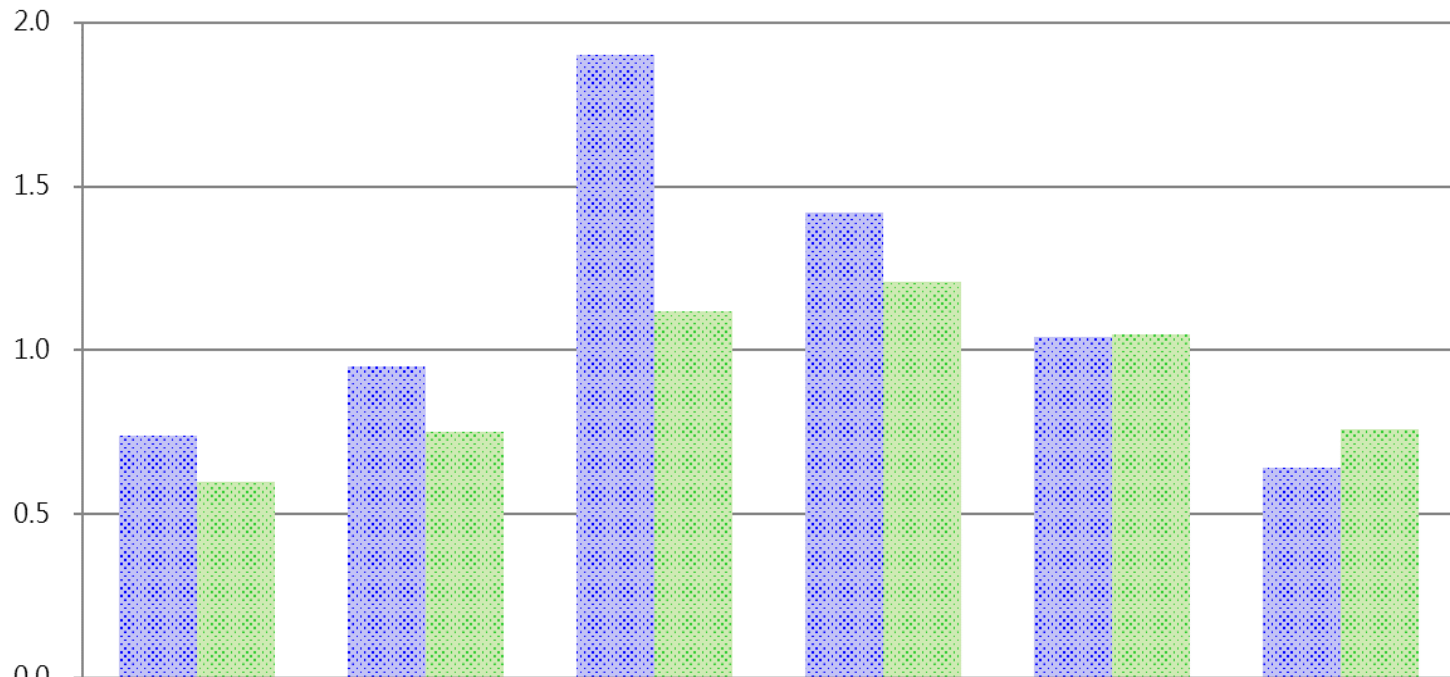
Debt/Asset Ratio



## 4. EPS & Cash Dividend



Unit : NT\$

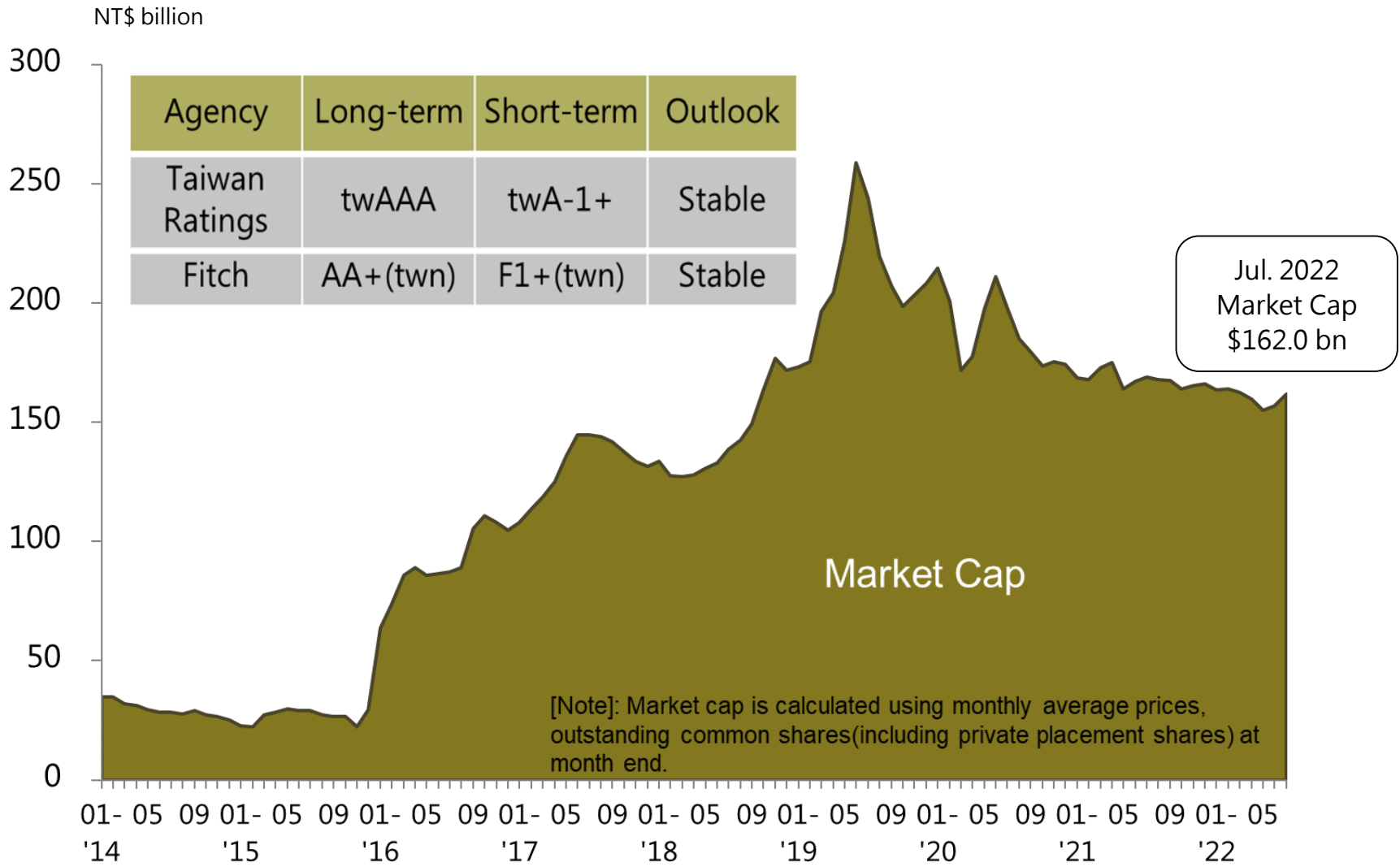


	2016	2017	2018	2019	2020	2021
EPS	0.74	0.95	1.90	1.42	1.04	0.64
Cash Dividend	0.60	0.75	1.12	1.2101	1.05	0.7580

■ EPS ■ Cash Dividend

Note 1: The calculation of earnings per share is based on the weighted average number of ordinary shares of 5.628 billion shares.

# 5. Corporate Credit Ratings & Market Cap





## III 、 OPERATIONAL OUTLOOK



# 1. Growth Momentum of Company's Operation



- **Accurate marketing using member big data to bring back lost customers**
- **Review the post-pandemic demand characteristics of the intercity travel market and adjust the focus of multiple preferential products**



- **Develop digital business platform**
- **Expand the scale of co-branded retail products through the co-branded strategy**



**Expand the scale of retail business**

**Increase transportation volume through precise marketing**

- **Create a comfortable environment for riding**
- **Reinforce the spread of real contact lifestyles**

**Active market demand**



## Finance

**Optimize the financial structure**

- Actively seek lower cost funding
- Evaluate and early repay part of the principal of the syndicated loan

## Cost

**Localization strategy in the component supply chains**

- Develop high-speed rail equipment/systems with alternative manufacturers
- Continue to expand the scale of localized procurement of maintenance materials

## 2 · ESG Promote and Awards



- THSRC was awarded with a renewed certificate for “High-Speed Rail Transportation Service Carbon Footprint Label.” As the commitment to reduce carbon emissions by more than 3% within 3 years (carbon reduction of 4.92%) has been achieved, THSRC was awarded with another certificate for “Carbon-Footprint Reduction Label.”
- In 2021, the solar power generation facilities installed at stations and depots generated 11,657 MWh. Energy efficiency was also improved through energy-efficient train driving and energy conservation plans at stations and depots.



- For the past 12 years, the “High-Speed Educational Endowment Program” has been in collaboration with the Down Syndrome Foundation to raise an amount of more than NTD 148 million and is estimated to have helped more than 27,000 disadvantaged schoolchildren achieve their dreams of learning.
- Cooperating with non-profit organizations and charitable institutes, the THSRC “Smiling Train” program has assisted 812 disadvantaged groups by 2021, with a total of 144,882 people taking a ride on THSR.
- The Corporation and the THSRC Labor Union signed a labor-management agreement for the first time in March 2022, showcasing the harmonious labor-management relations and the joint effort in enhancing employee interests.



- Ranked top 5% in Corporate Governance Evaluation for the fifth consecutive years.
- Continued to be selected as a constituent of the “ FTSE4GOOD TIP Taiwan ESG Index.”
- Establish local supply chain and develop alternative material suppliers in line with the localization policy of the rail industry. The procurement amount of local maintenance materials has reached 30% of the target.



# 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>

