

Ticker Symbol: 2633



Taiwan High Speed Rail Corporation 4Q, 2019 Operation Report

03/03/2020

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AGENDA

- I. BUSINESS OVERVIEW
- II. FINANCIAL OVERVIEW
- III. MARKET OVERVIEW
- IV. OUTLOOK

I. Business Overview

1. High-Speed Rail Network
2. Operational Performance



Transportation 運輸

專業運輸



Technology 科技

創新科技



Taiwan 在地

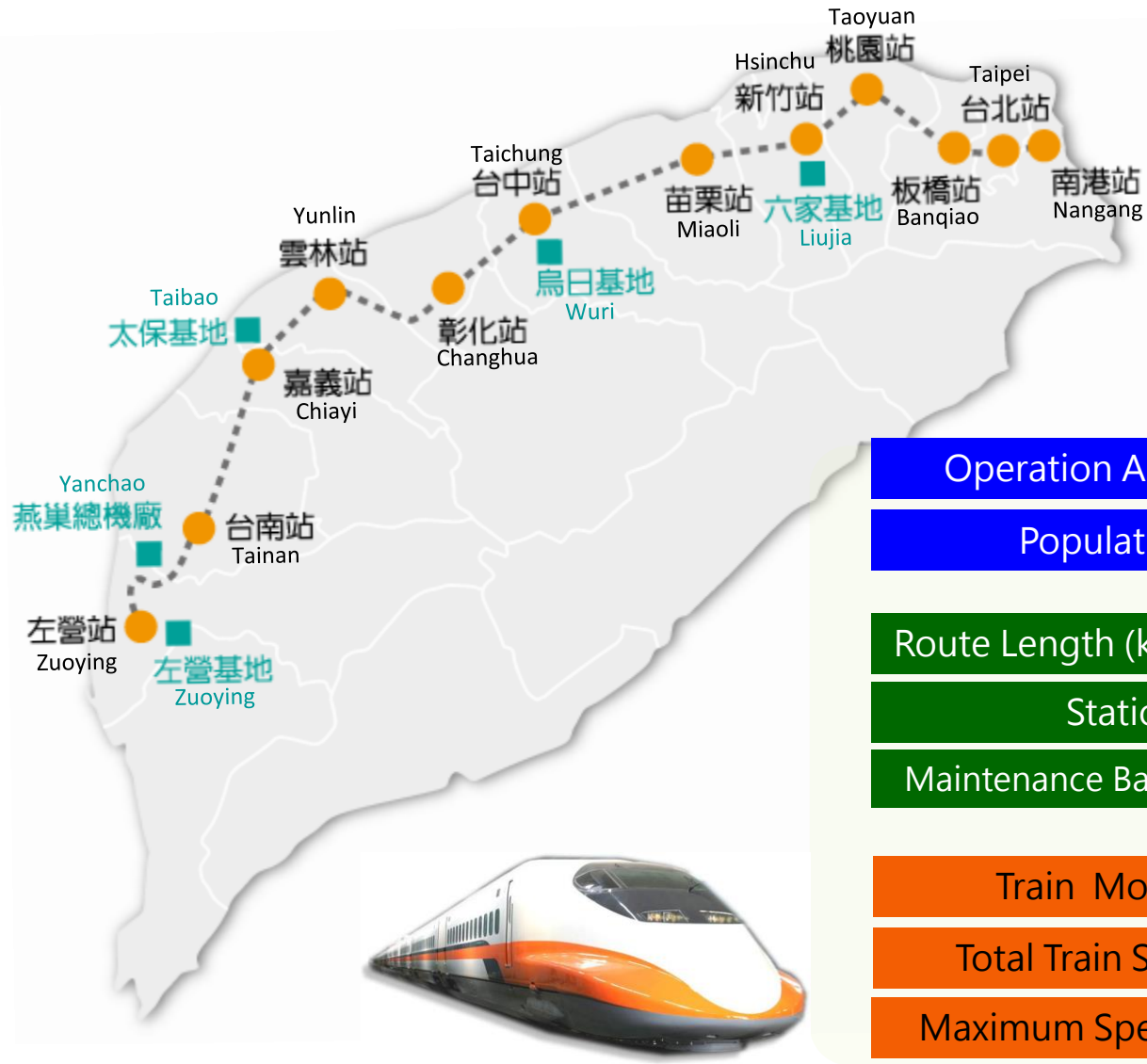
深耕在地



Touch 關懷

永續關懷

1. High-Speed Rail Network



Operation Area **11 Cities & 76 Townships**

Population **90 %**

Route Length (km) **350**

Stations **12**

Maintenance Bases **5**

Train Model **700T**

Total Train Sets **34**

Maximum Speed **300 km/h**

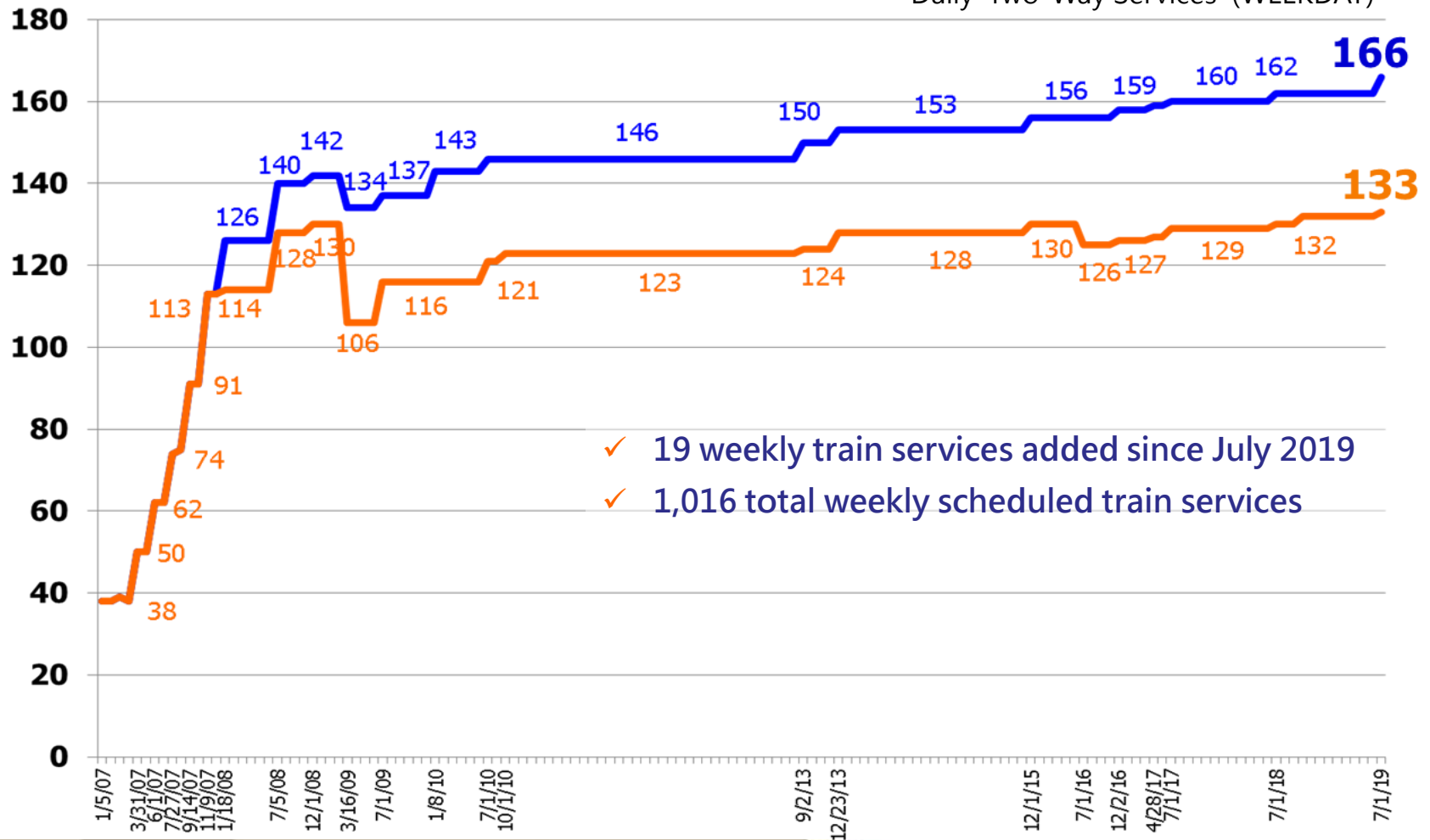


2. Operational Performance

1. Train Frequency

(daily frequency)

■ Daily Two-Way Services (WEEKEND)
■ Daily Two-Way Services (WEEKDAY)

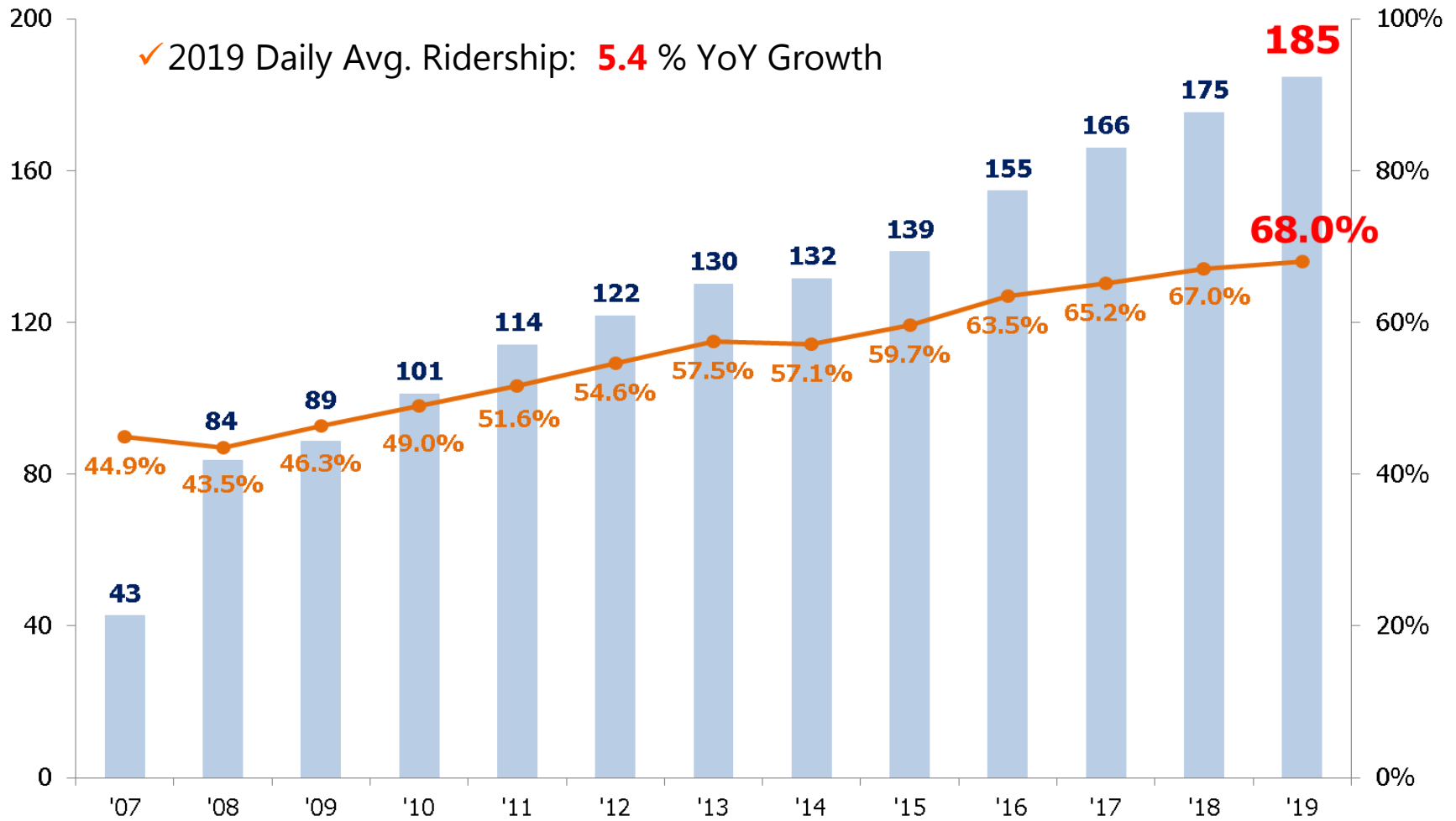


- ✓ 19 weekly train services added since July 2019
- ✓ 1,016 total weekly scheduled train services

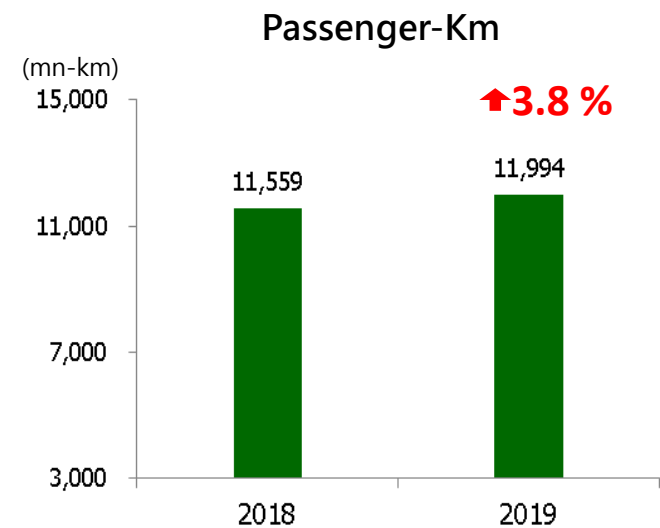
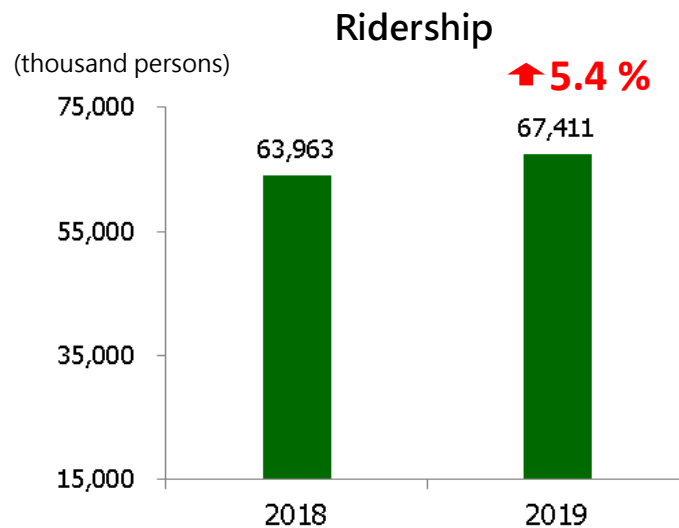
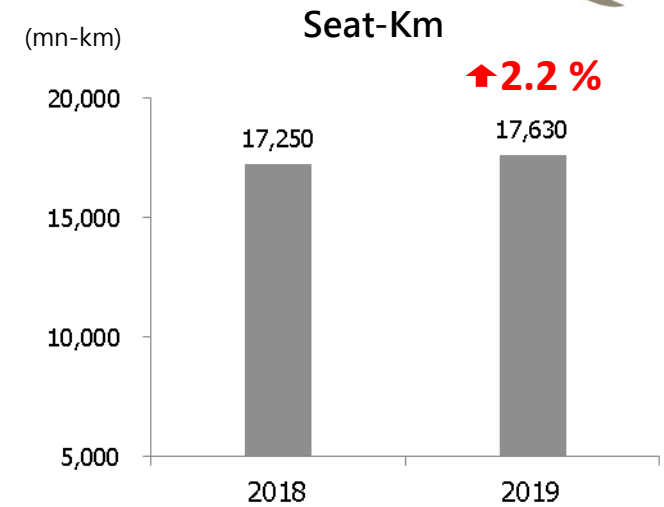
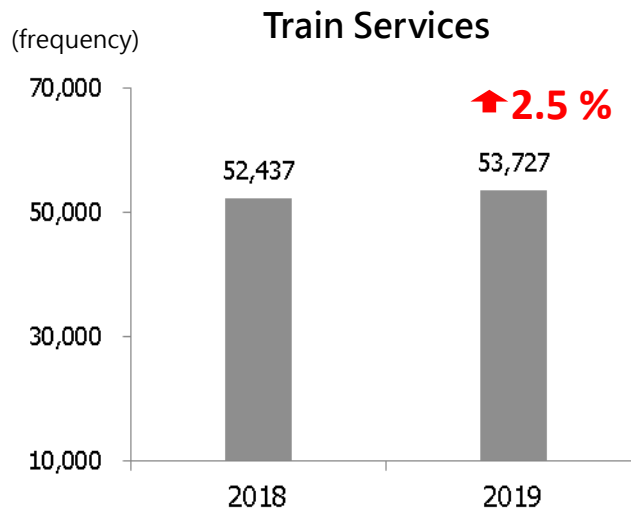
2. Ridership & Loading Factor

(thousand persons/day)

Load Factor, (%)



3. Growth of Transportation Capacity & Volume(2019 vs 2018)



Transportation
Capacity

Transportation
Volume

4. Operational Performance



	2019	2007.01.05 ~ 2019.12.31
Train Services	53,727	618,660
Cumulative Passengers (million passengers)	67.4	596.2
Passenger Kilometers (million-km)	11,994	114,383
Loading Factor	68.0%	56.8%
Reliability	100%	99.66%
Punctuality (delay < 5min)	99.88%	99.49%
Avg. Delay Time (min)	0.07	0.20
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 (2019 vs. 2018)

(NT\$mn)	2019		2018		Variance Amount	Var. %
Operating revenue	47,507	100%	45,415	100%	2,092	4.6%
Operating costs	(25,763)	-54%	(25,081)	-55%	(682)	2.7%
Gross Profit	21,745	46%	20,334	45%	1,411	6.9%
Operating expenses	(1,233)	-3%	(1,189)	-3%	(44)	3.7%
Net Operating Income	20,512	43%	19,145	42%	1,367	7.1%
Non-operating income and expenses						
Interest expenses	(6,455)	-13%	(6,618)	-14%	163	-2.5%
Stabilization reserve	(6,524)	-14%	(5,415)	-12%	(1,109)	20.5%
Others	242	-	200	-	42	21.0%
Net Income before tax	7,775	16%	7,312	16%	463	6.3%
Income tax	232	1%	3,385	7%	(3,153)	-93.1%
Net Income	8,007	17%	10,696	23%	(2,689)	-25.1%
EPS	1.42		1.90			



2. Balance Sheets

(NT\$mn)	2019.12.31	2018.12.31
Current assets	42,710	22,797
Operating concession asset	390,113	401,169
Other non-current assets	10,236	9,092
Total assets	443,060	433,057
Current liabilities	13,279	13,814
Non-current liabilities	358,703	349,830
Total liabilities	371,982	363,644
Common stock	56,283	56,283
Capital surplus	173	173
Legal reserve & unappropriated earnings	14,621	12,957
Total equity	71,077	69,413
Total liabilities & equity	433,059	433,057



3. Statement of Cash Flows

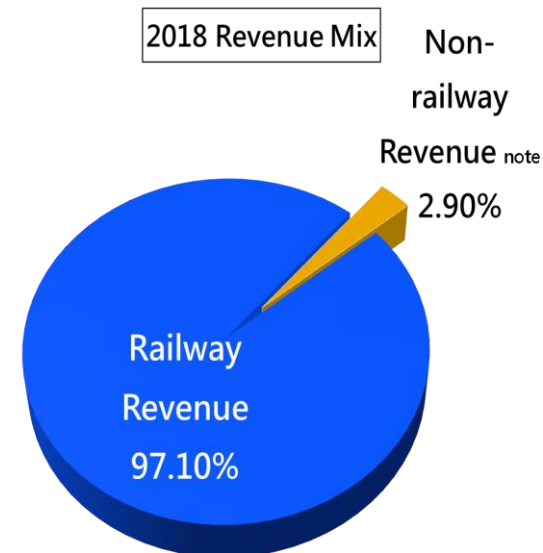
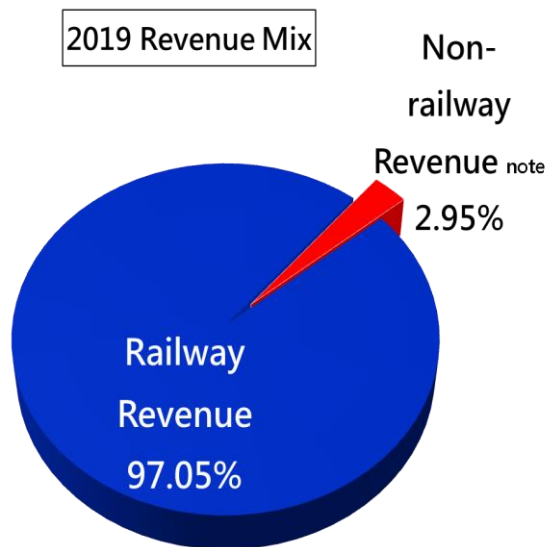
(NT\$m)	2019.12.31	2018.12.31
Cash & cash equivalents at the beginning of the period	6,948	7,188
Cash flows from operating activities	28,546	26,217
Cash flows from investing activities	(12,761)	(4,356)
Cash flows from financing activities	(6,462)	(22,101)
Net increase in cash & cash equivalents	9,324	(240)
Cash & cash equivalents at the end of the period	16,272	6,948



4. Net Profits & Operating Revenues

1) Revenue Structures

(NT\$bn)	2019	2018	YoY
Railway Revenue	46.11	44.10	4.6%
Non-railway Revenue	1.40	1.32	6.3%
Total	47.51	45.42	4.6%

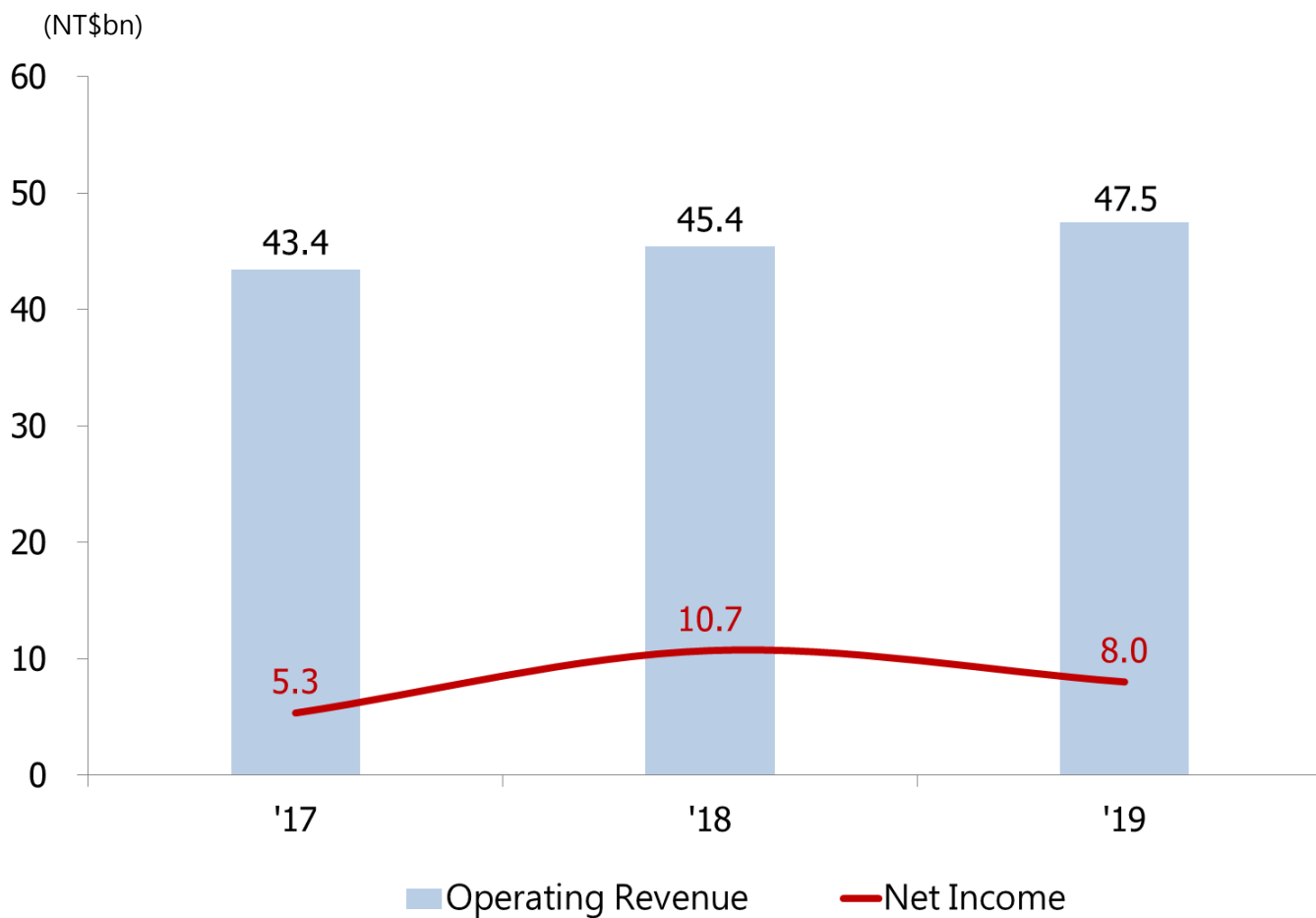


Note: Non-railway revenues mainly include rental incomes, advertising revenues, and onboard sales.

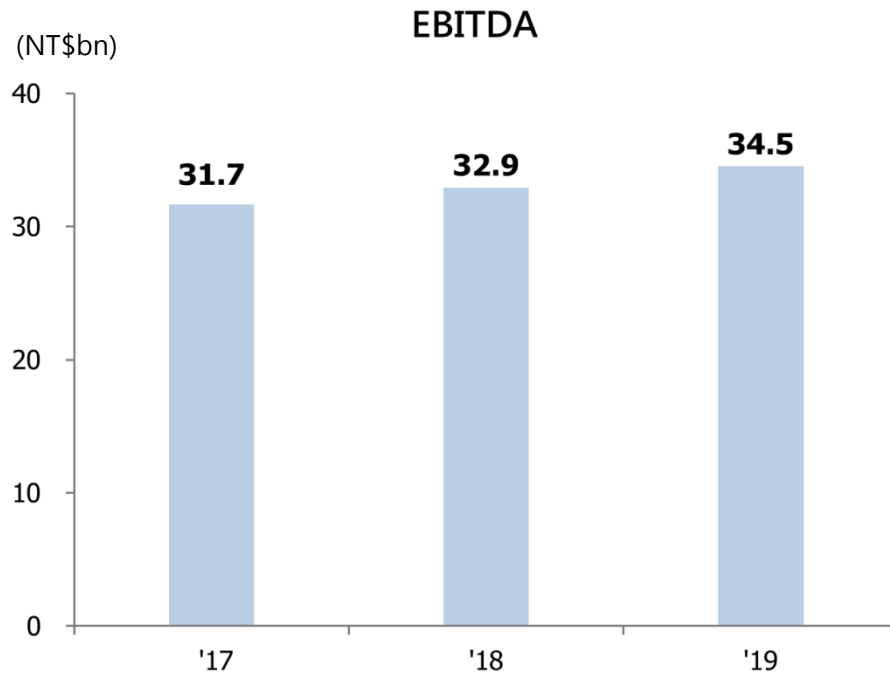


4. Net Profits & Operating Revenues

2) Operating Revenue and Net Income

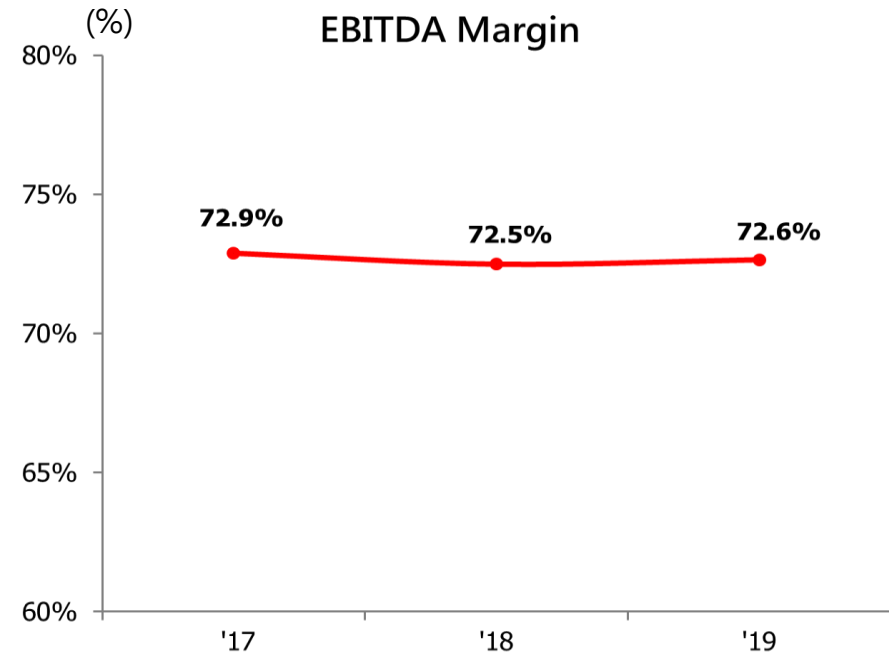


5. Operational Efficiency : EBITDA & EBITDA Margin



✓ EBITDA

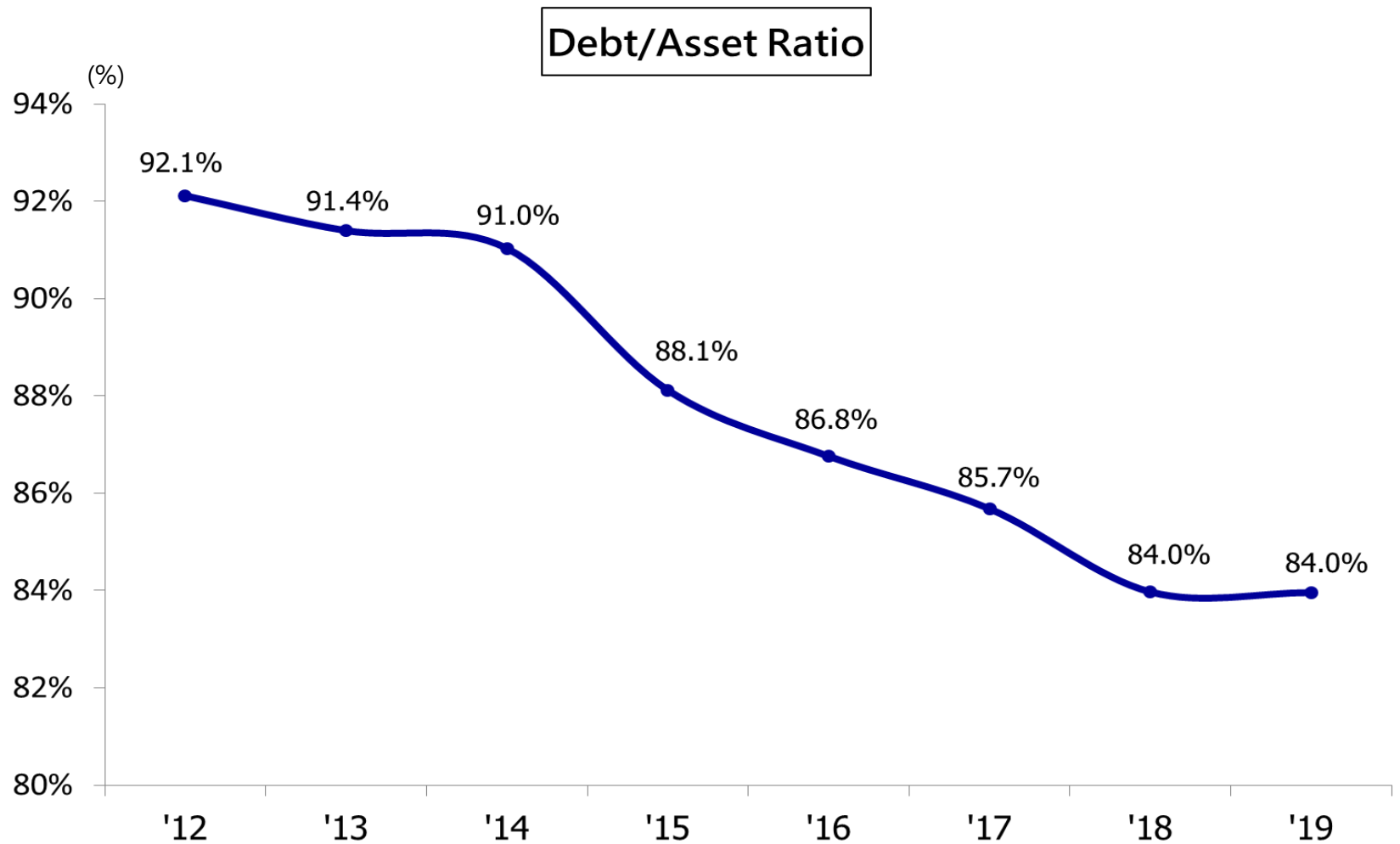
- 2019: YoY **+4.8%**



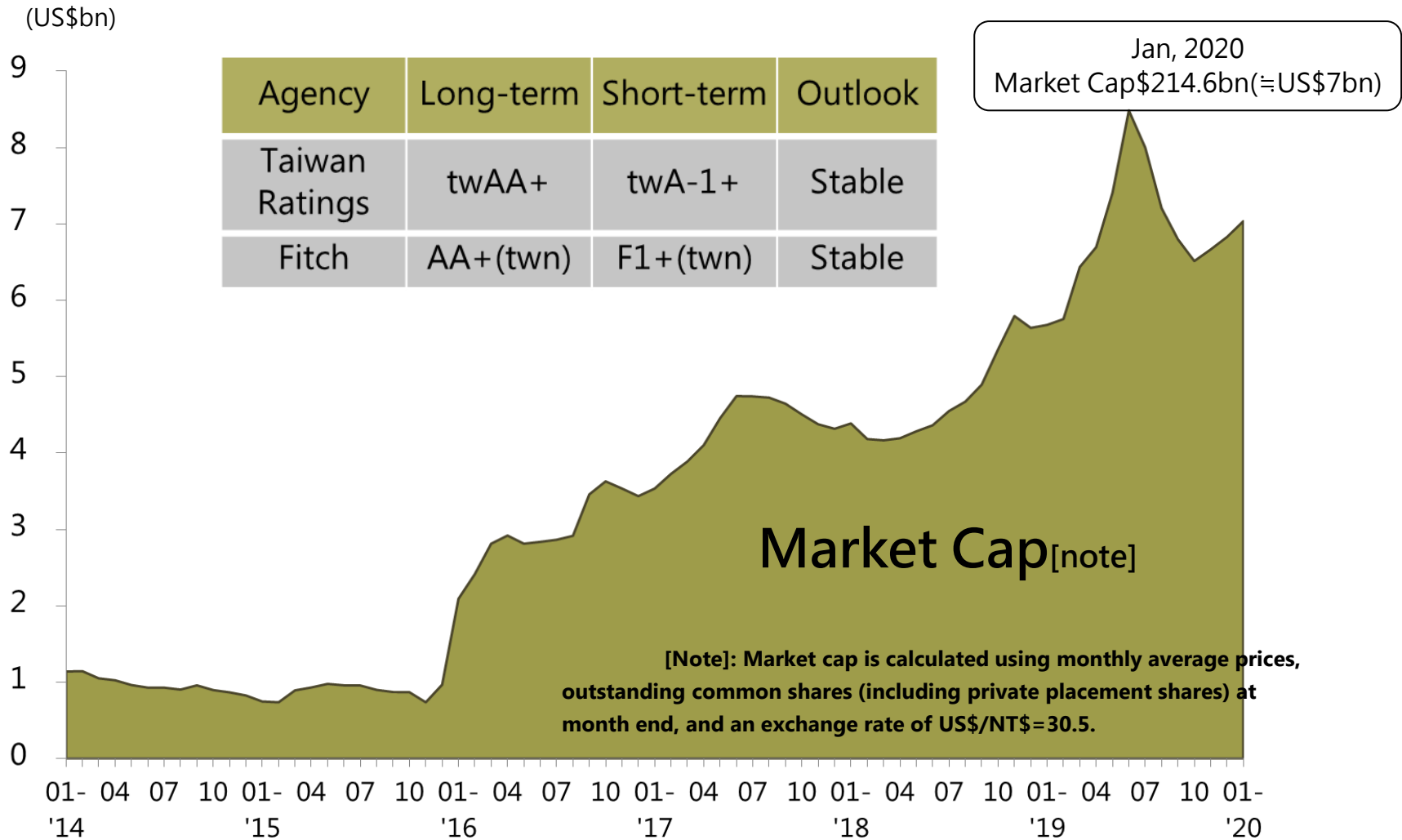
✓ EBITDA Margin

- '17~'19: 72%~73%

2. Financial Risk Management



3. Corporate Credit Ratings & Market Cap



4. Recent Major Events and Activities



Date	Events
2019.7	✓ Procurement announcement for three diesel shunters from TRS.
2019.9	✓ A total of 874 train services were provided during the 5-day Mid-autumn festival holiday. On September 15, single-day passenger numbers reached to 318,249 passengers, the highest number on record since THSRC commenced commercial operations.
2019.11	✓ Issued unsecured corporate bonds for the first time, with a 30-year period of issuance, at fixed annual interest rate of 1.60%, and total amount of NT\$8 billion.
2020.01	✓ Since the start of commercial operation on January 5, 2007, the cumulative THSR ridership has exceeded 600 million passengers.



III. MARKET OVERVIEW

1. Inter-City Transportation
2. Inter-City Public Transport Market

高鐵交通聯票 一路串聯幸福風景

高鐵票7折起，搭配捷運、台灣好行享雙重超值優惠，讓你直達景點！網路下訂明天就能出發！

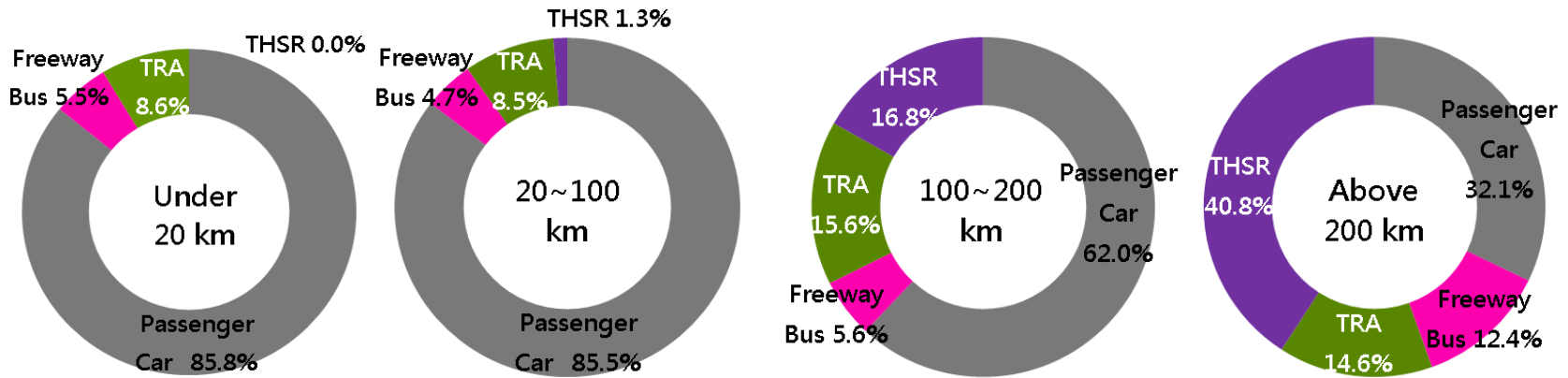


1. Inter-City Transportation

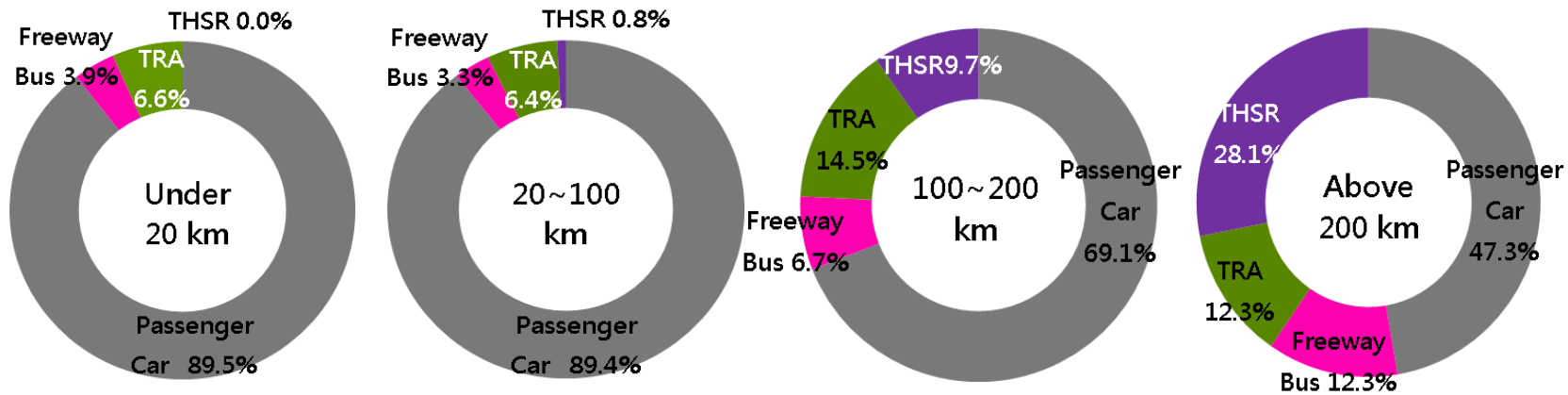


Market size of intercity transportation for different travel lengths

Weekday



Weekend

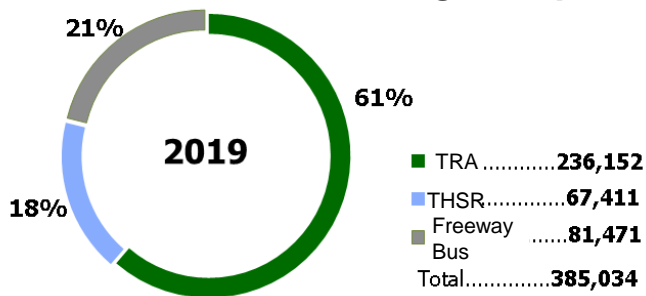


2. Inter-City Public Transport Market



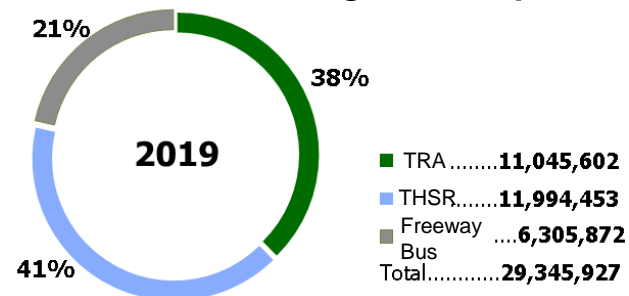
Passenger
(thousand persons)

Passenger Proportions



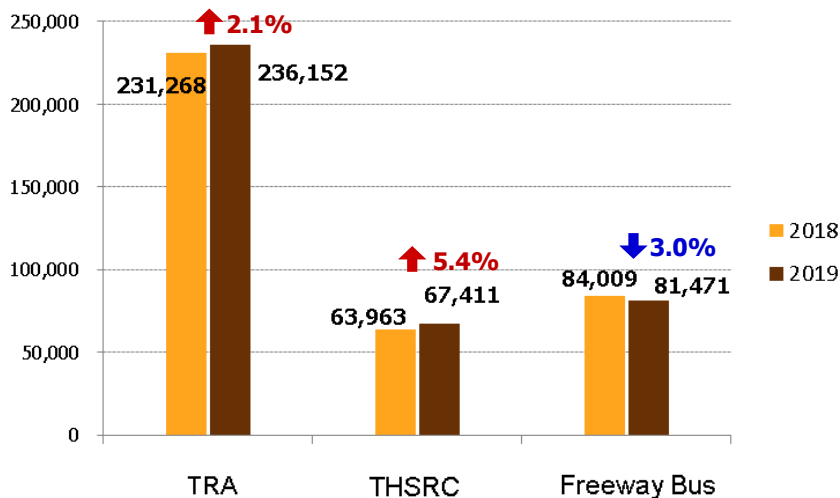
Passenger-km
(thousand persons-km)

Passenger-km Proportions



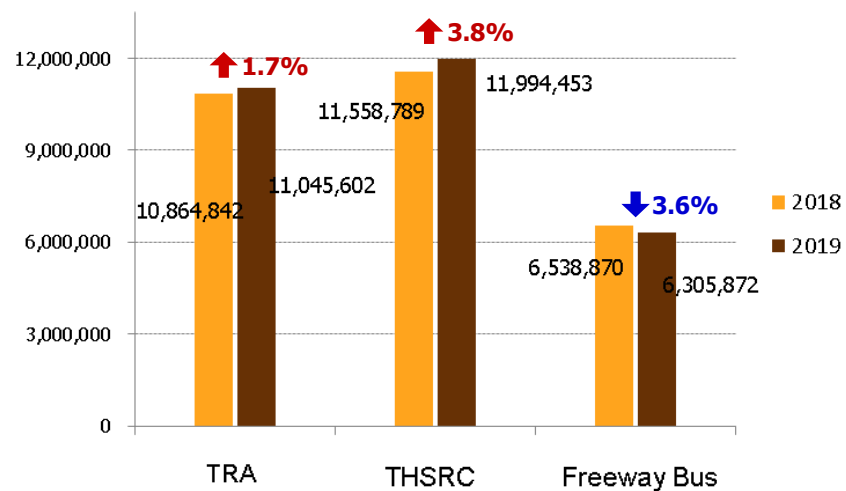
(thousand persons)

2019 Trend of Passenger Growth

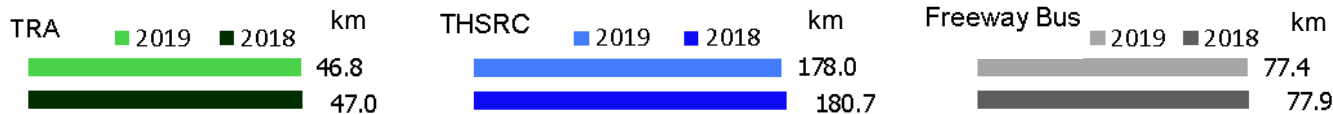


(thousand persons-km)

2019 Trend of Passenger-km Growth



Avg. Passenger Distance





IV. OUTLOOK

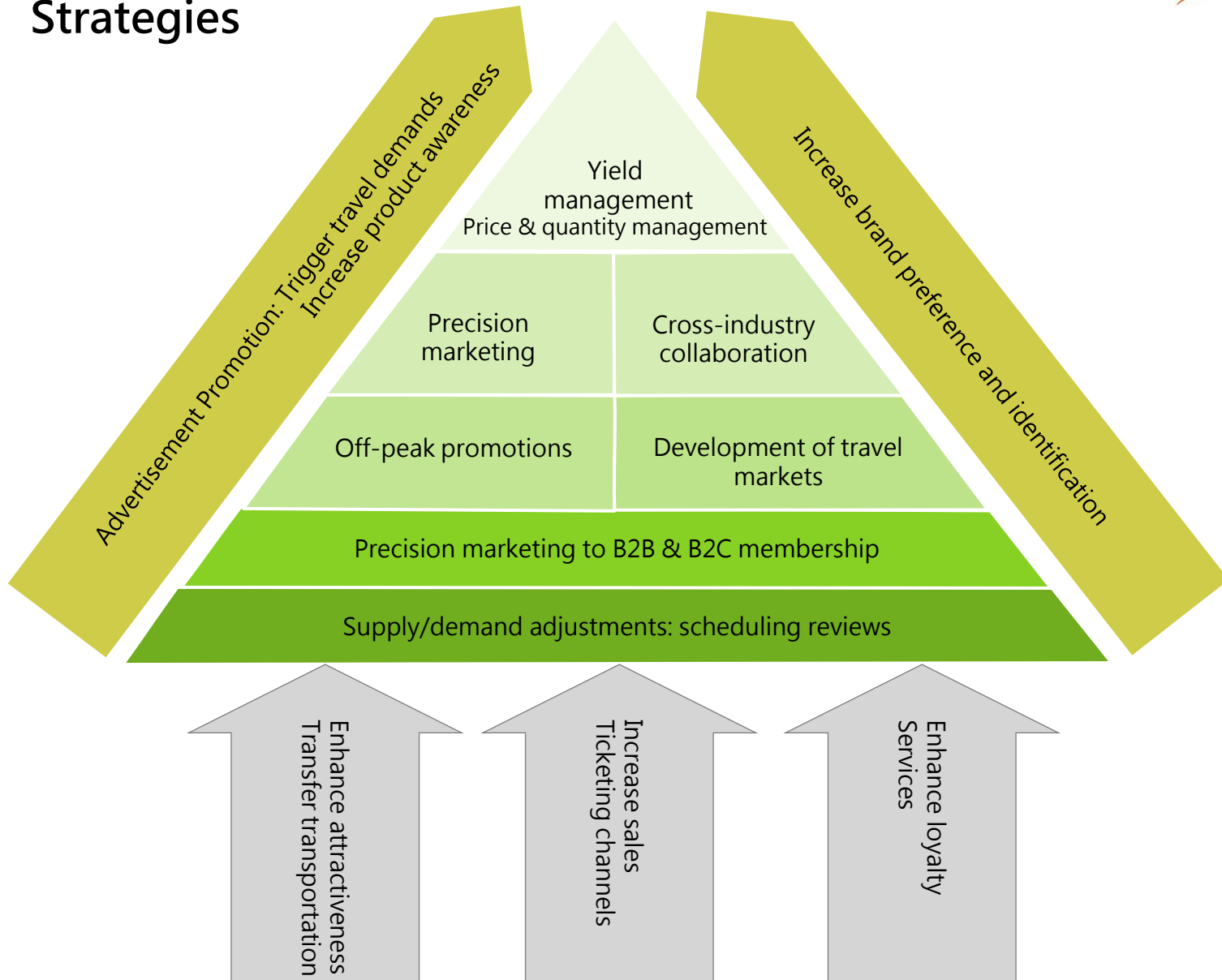
1. Sustain Revenue Growth Drivers
2. CSR Performance



1、Sustain Revenue Growth Drivers



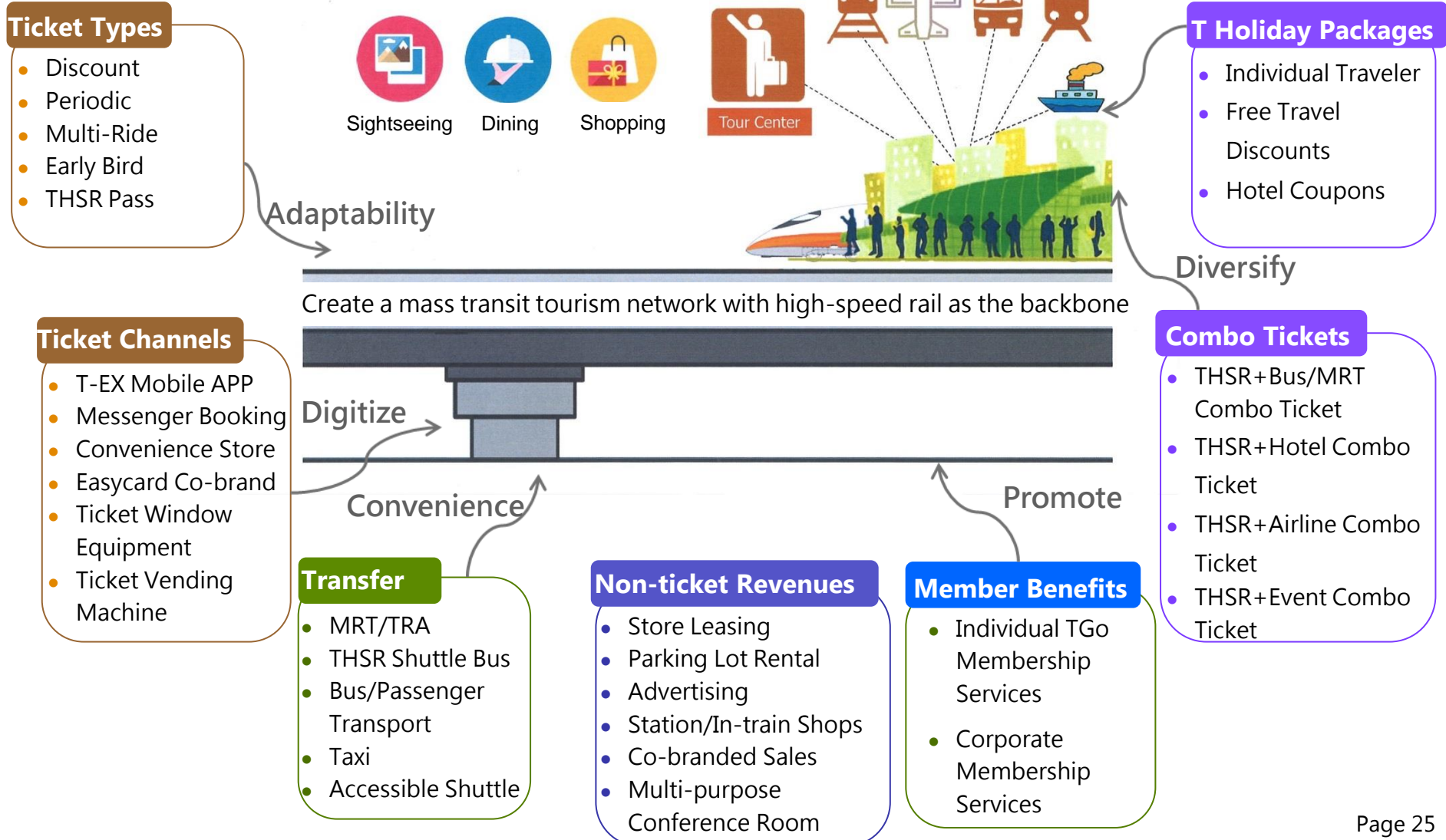
1. Strategies



2. Integrate travel services to drive revenue growth



Transit Oriented Tourism



Ticket Types

- Discount
- Periodic
- Multi-Ride
- Early Bird
- THSR Pass

Ticket Channels

- T-EX Mobile APP
- Messenger Booking
- Convenience Store
- Easycard Co-brand
- Ticket Window Equipment
- Ticket Vending Machine

Transfer

- MRT/TRA
- THSR Shuttle Bus
- Bus/Passenger Transport
- Taxi
- Accessible Shuttle

Non-ticket Revenues

- Store Leasing
- Parking Lot Rental
- Advertising
- Station/In-train Shops
- Co-branded Sales
- Multi-purpose Conference Room

Member Benefits

- Individual TGo Membership Services
- Corporate Membership Services

Combo Tickets

- THSR+Bus/MRT Combo Ticket
- THSR+Hotel Combo Ticket
- THSR+Airline Combo Ticket
- THSR+Event Combo Ticket

T Holiday Packages

- Individual Traveler
- Free Travel Discounts
- Hotel Coupons

2. CSR Performance



Performance Highlights

-
- ✓ 2019.10 Received the honor of “Excellent Green Procurement Enterprise” by the Environmental Protection Administration for 11 consecutive times since 2008.
-
- ✓ 2019.05 Taiwan Stock Exchange presented THSRC with a “Top 5% of Corporate Governance Evaluations Award” for the second consecutive year.
-
- ✓ 2019.04 THSRC was selected by and listed in the FTSE4Good TIP Taiwan ESG Index for the second time.
-
- ✓ 2018.11 Was given outstanding award in “2018 Low-Carbon Product Awards” by the Environmental Protection Administration, as the first award-winning transport operator.
-
- ✓ 2018.11 Won the 11th Taiwan Corporate Sustainability Award (TCSA) in 2018.
-
- ✓ 2018.08 Listed on FTSE4Good Emerging Index.
-
- ✓ 2018.07 Listed on TWSE Corporate Governance 100 Index.
-

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>

