

Ticker Symbol: 2633



# Taiwan High Speed Rail Corporation 4Q'2020 Operation Report

3/11/2021



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# AGENDA

I. BUSINESS OVERVIEW

II. FINANCIAL OVERVIEW

III. INTER-CITY PUBLIC TRANSPORT MARKET

IV. OPERATION OUTLOOK



# I. BUSINESS OVERVIEW

1. High-Speed Rail Network
2. Operational Performance

# 1. High-Speed Rail Network



<span style="color: orange;">●</span> Stations
<span style="color: teal;">■</span> Bases

Operation Area	<b>11 Cities</b>
Population	<b>90 %</b>
Route Length (km)	<b>350</b>
Stations	<b>12</b>
Maintenance Bases	<b>5</b>
Train Model	<b>700T</b>
Total Train Sets	<b>34</b>
Maximum Speed	<b>300 km/h</b>

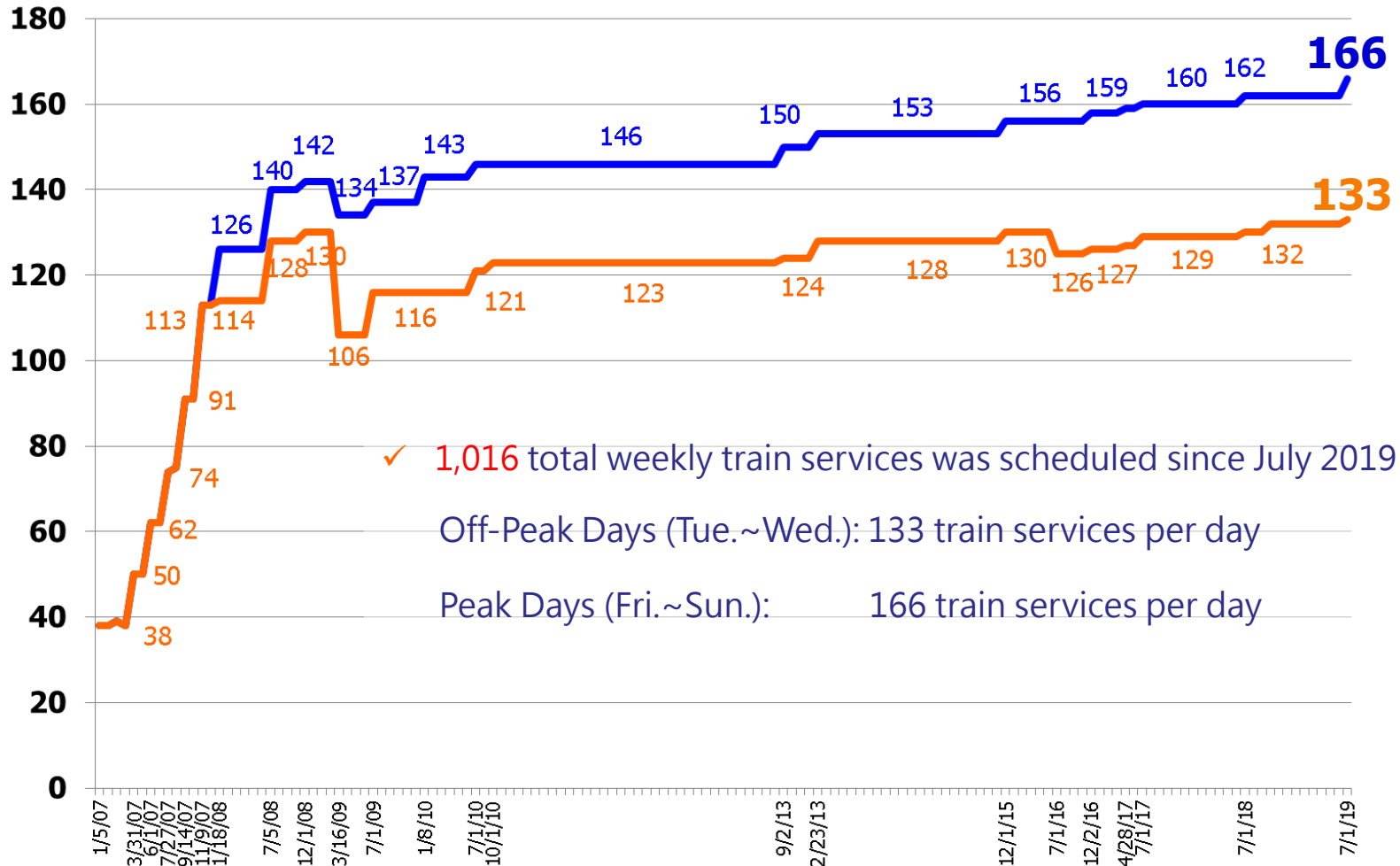
# 2、Operational Performance



## 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

Off-Peak Days (Tue.~Wed.): 133 train services per day

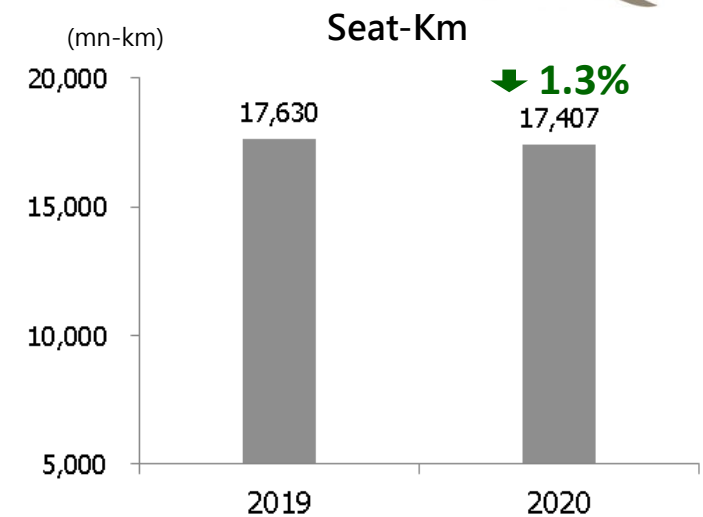
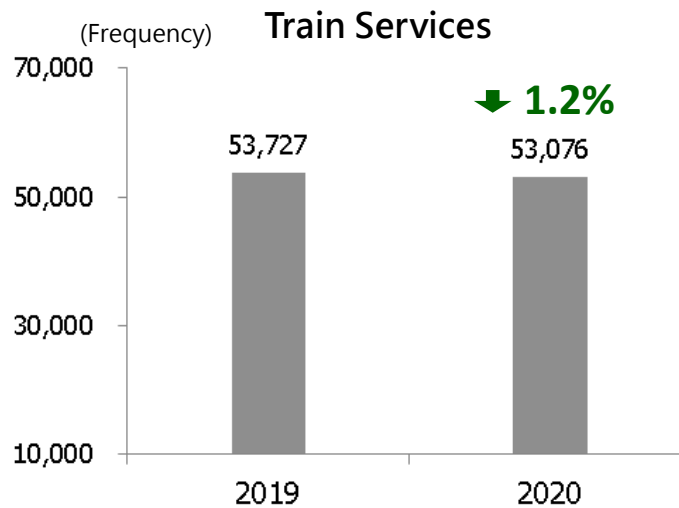
Peak Days (Fri.~Sun.): 166 train services per day

## 2. Trend of Transportation Capacity & Volume



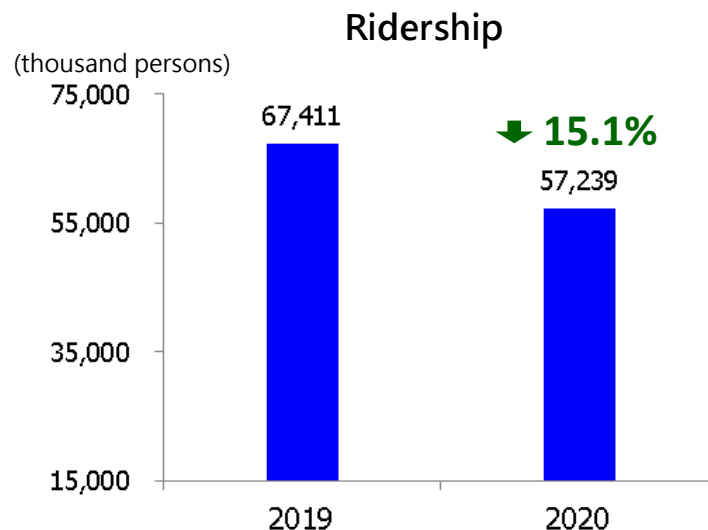
### Transportation Capacity

➔ The number of train services in 2020 slightly dropped compared with last year.



### Transportation Volume

➔ The ridership increased to 16,983,000 during Q4, a slight decrease of 3.3% compare to the same period in 2019.

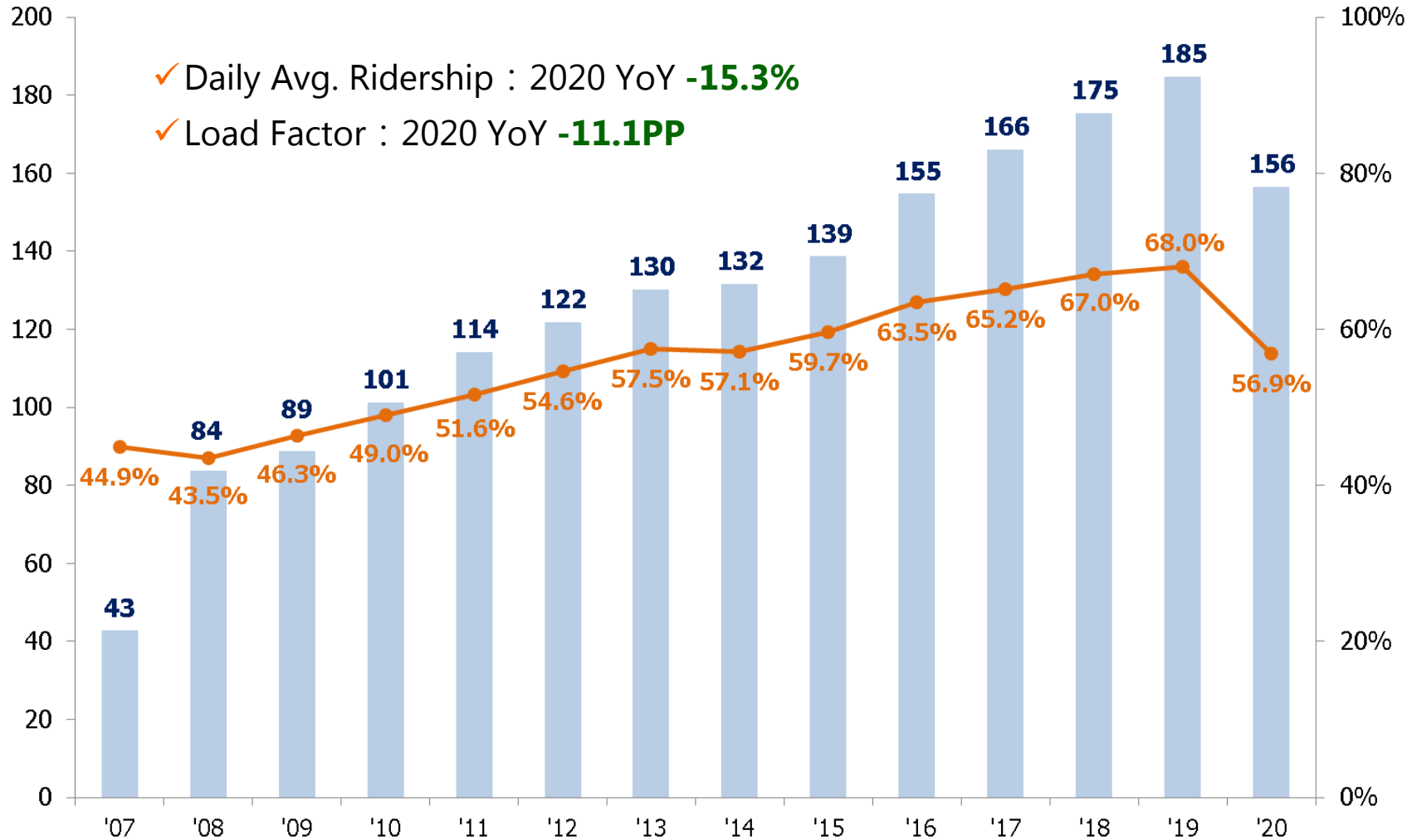


# 3. Ridership & Loading Factor



Load Factor (%)

(thousand persons/day)

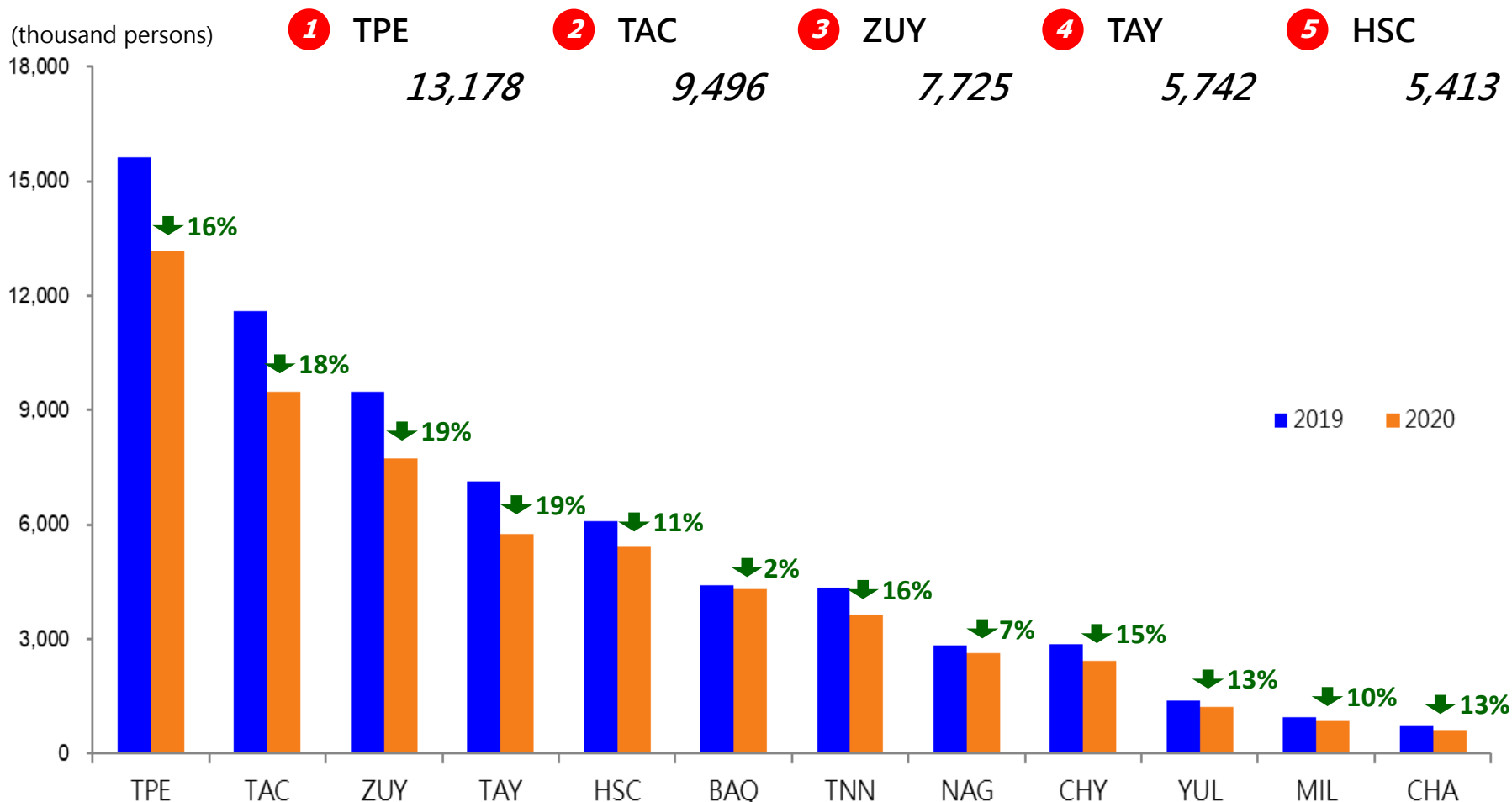




# 4. Trend of Passenger Growth by Station



※ Top 5 Stations with Large Passenger Use (thousand persons · 2020)



## 5. Operational Performance



	2020.01.01 ~ 2020.12.31	2007.01.05 ~ 2020.12.31
Train Services	53,076	671,736
Cumulative Passengers (million passengers)	57.2	653.4
Passenger Kilometers (million-km)	9,912	124,296
Loading Factor	56.94 %	56.83 %
Reliability	100 %	99.67 %
Punctuality (delay < 5 min)	99.71 %	99.51 %
Avg. Delay Time (min)	0.13	0.19
Accidents resulting in Liabilities	0	0



## II. FINANCIAL OVERVIEW

1. Financial Performance
2. Financial Risk Management
3. Corporate Credit Rating & Market Cap

# 1. Financial Performance



## 1. Income Statement

(NT\$mn)	2020		2019		Variance Amount	YoY %
Operating revenue	39,137	100%	47,507	100%	(8,370)	-17.6%
Operating costs	(26,095)	-67%	(25,763)	-54%	(332)	1.3%
Gross Profit	13,042	33%	21,745	46%	(8,703)	-40.0%
Operating expenses	(1,235)	-3%	(1,233)	-3%	(2)	0.2%
Net Operating Income	11,807	30%	20,512	43%	(8,705)	-42.4%
Non-operating income and expenses						
Interest expenses	(5,919)	-15%	(6,455)	-13%	536	-8.3%
Stabilization reserve	(886)	-2%	(6,524)	-14%	5,638	-86.4%
Others	418	1%	242	-	176	72.7%
Net Income before tax	5,419	14%	7,775	16%	(2,356)	-30.3%
Income tax	424	1%	232	1%	192	82.8%
<b>Net Income</b>	<b>5,843</b>	<b>15%</b>	<b>8,007</b>	<b>17%</b>	<b>(2,164)</b>	<b>-27.0%</b>
<b>EPS</b>	<b>1.04</b>		<b>1.42</b>			

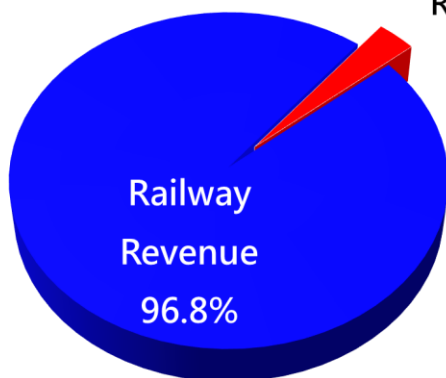


## 2. Net Profits & Operating Revenues

### 1) Revenue Structures

(NT\$bn)	2020	2019	YoY%
Railway Revenue	37.90	46.11	-17.8%
Non-railway Revenue	1.23	1.40	-11.9%
Total	39.14	47.51	-17.6%

2020 Revenue Mix



Non-railway Revenue note  
3.2%

2019 Revenue Mix



Non-railway Revenue note  
2.9%

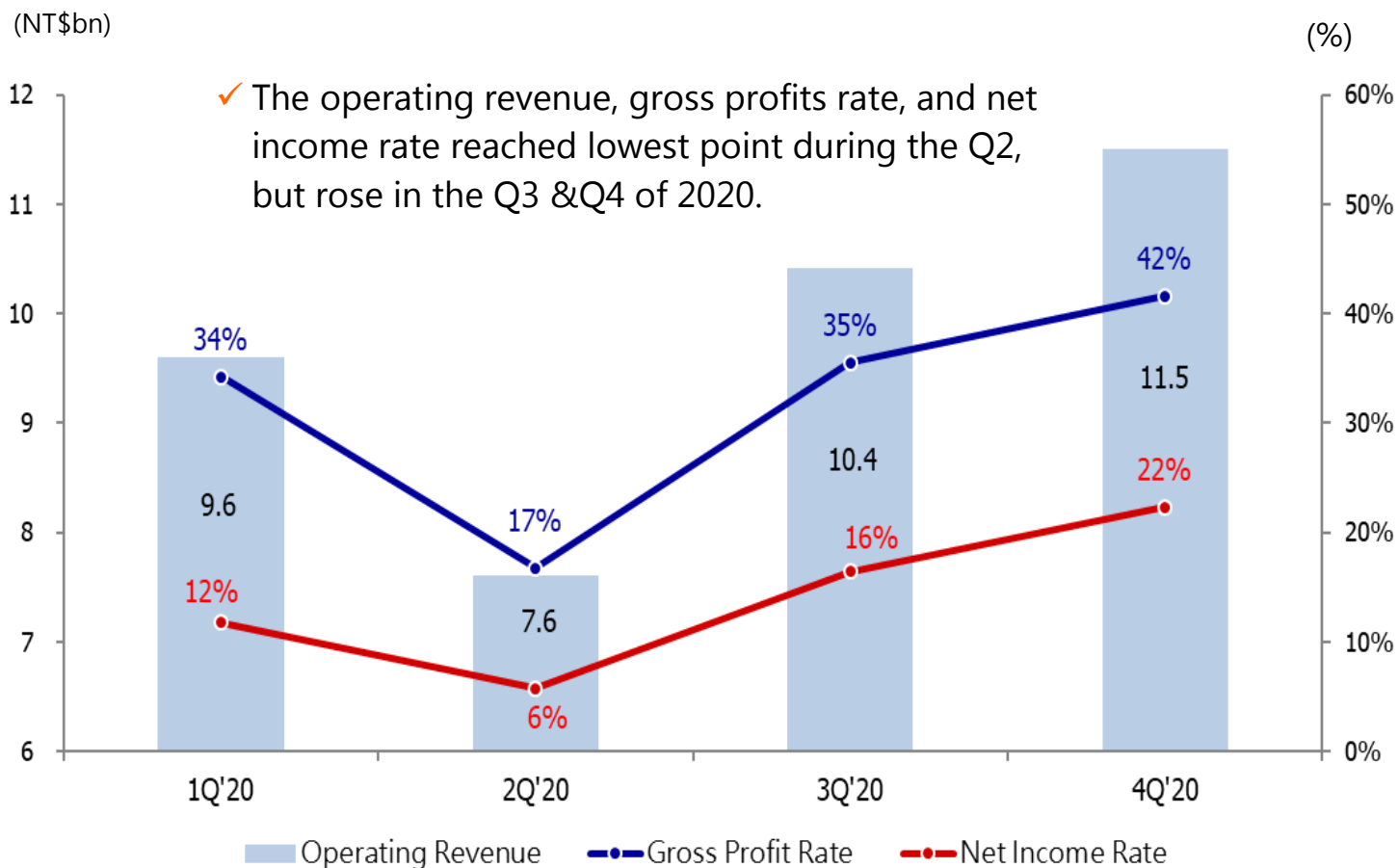
➔ Non-railway revenues (rental incomes, onboard sales) dropped due to the impact of the epidemic.

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

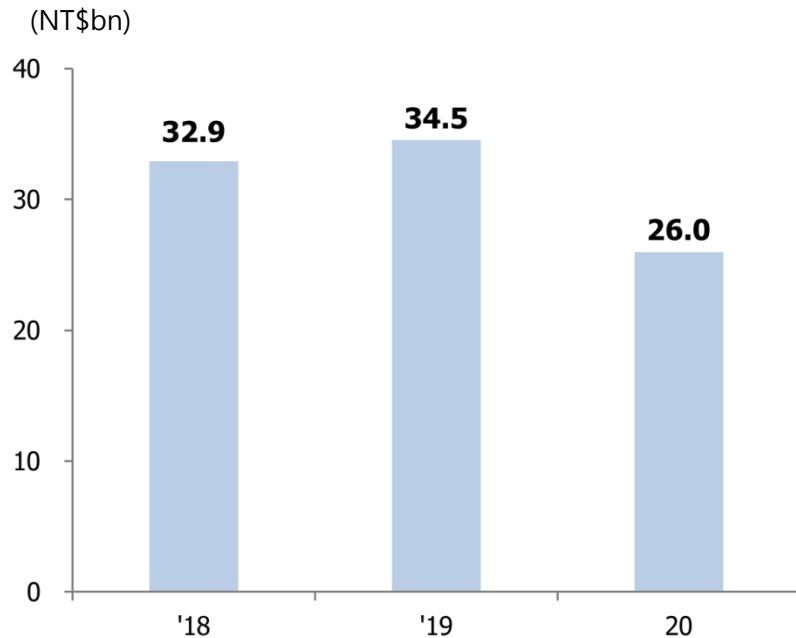


## 2. Net Profits & Operating Revenues

### 2) Operating Revenue, Gross Profit & Net Income

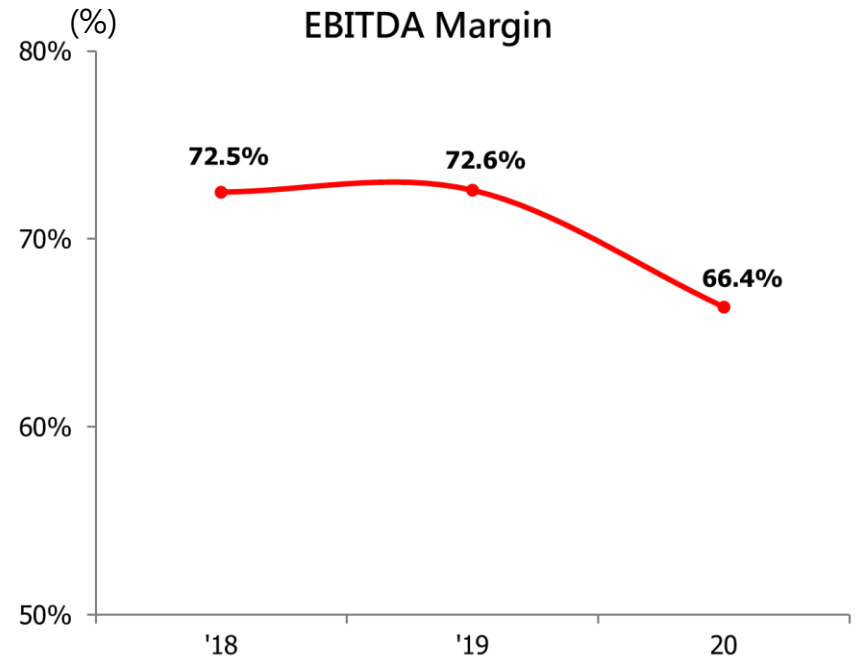


### 3. EBITDA & EBITDA Margin



#### ✓ EBITDA

- 2020: YoY **-24.7%**



#### ✓ EBITDA Margin

- '18~'19: 72%~73%
- Due to impact of the pandemic in '20 · EBITDA Margin reduced to 66.4%.



## 4. Balance Sheets

(NT\$m)	2020.12.31	2019.12.31
Current assets	38,621	42,710
Operating concession asset	378,291	390,113
Other non-current assets	10,654	10,236
<b>Total assets</b>	<b>427,567</b>	<b>443,060</b>
Current liabilities	7,067	13,279
Non-current liabilities	350,413	358,703
<b>Total liabilities</b>	<b>357,480</b>	<b>371,982</b>
Common stock	56,283	56,283
Capital surplus	173	173
Legal reserve & unappropriated earnings	13,631	14,621
<b>Total equity</b>	<b>70,087</b>	<b>71,077</b>
<b>Total liabilities &amp; equity</b>	<b>427,567</b>	<b>443,060</b>

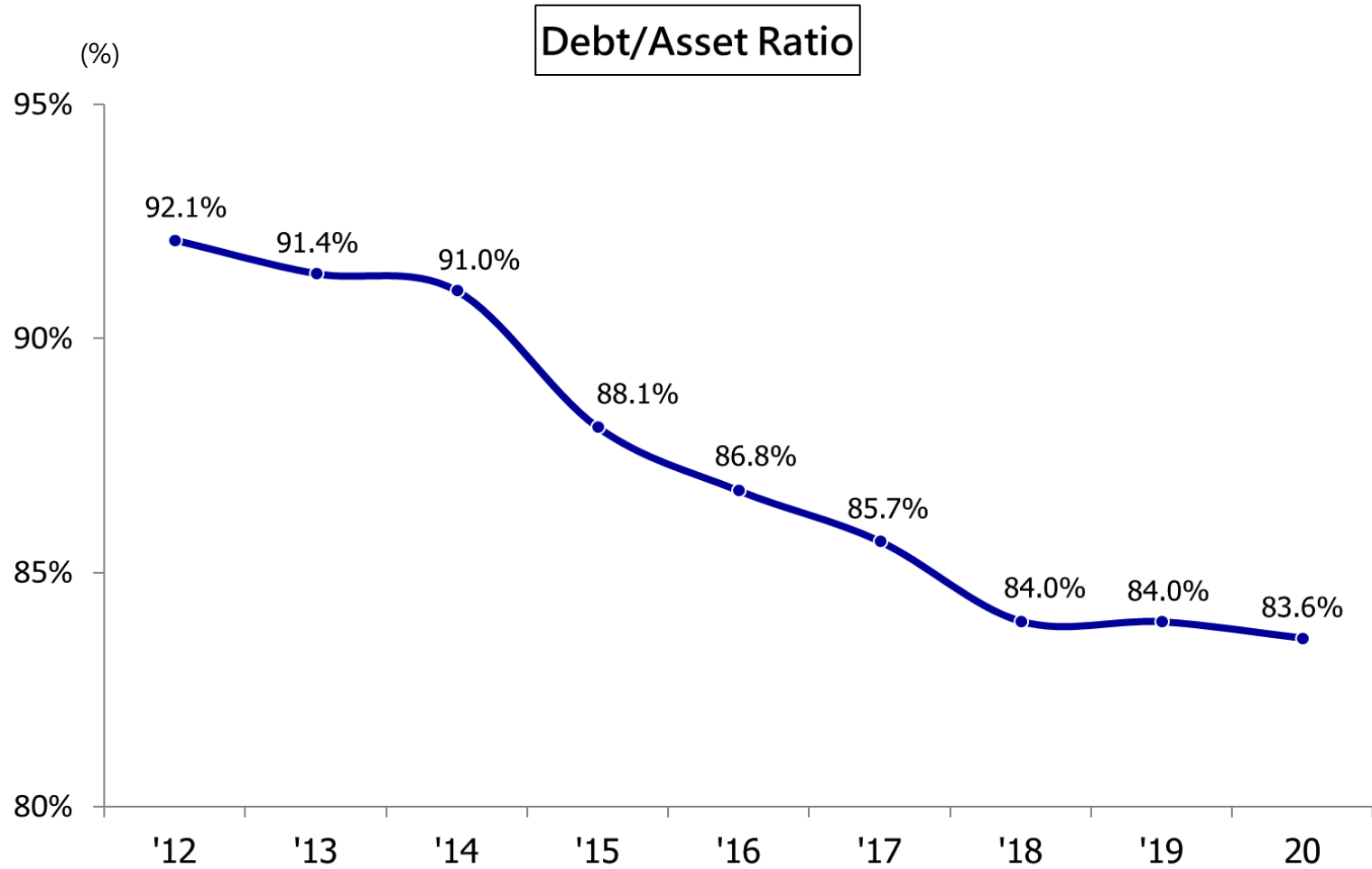




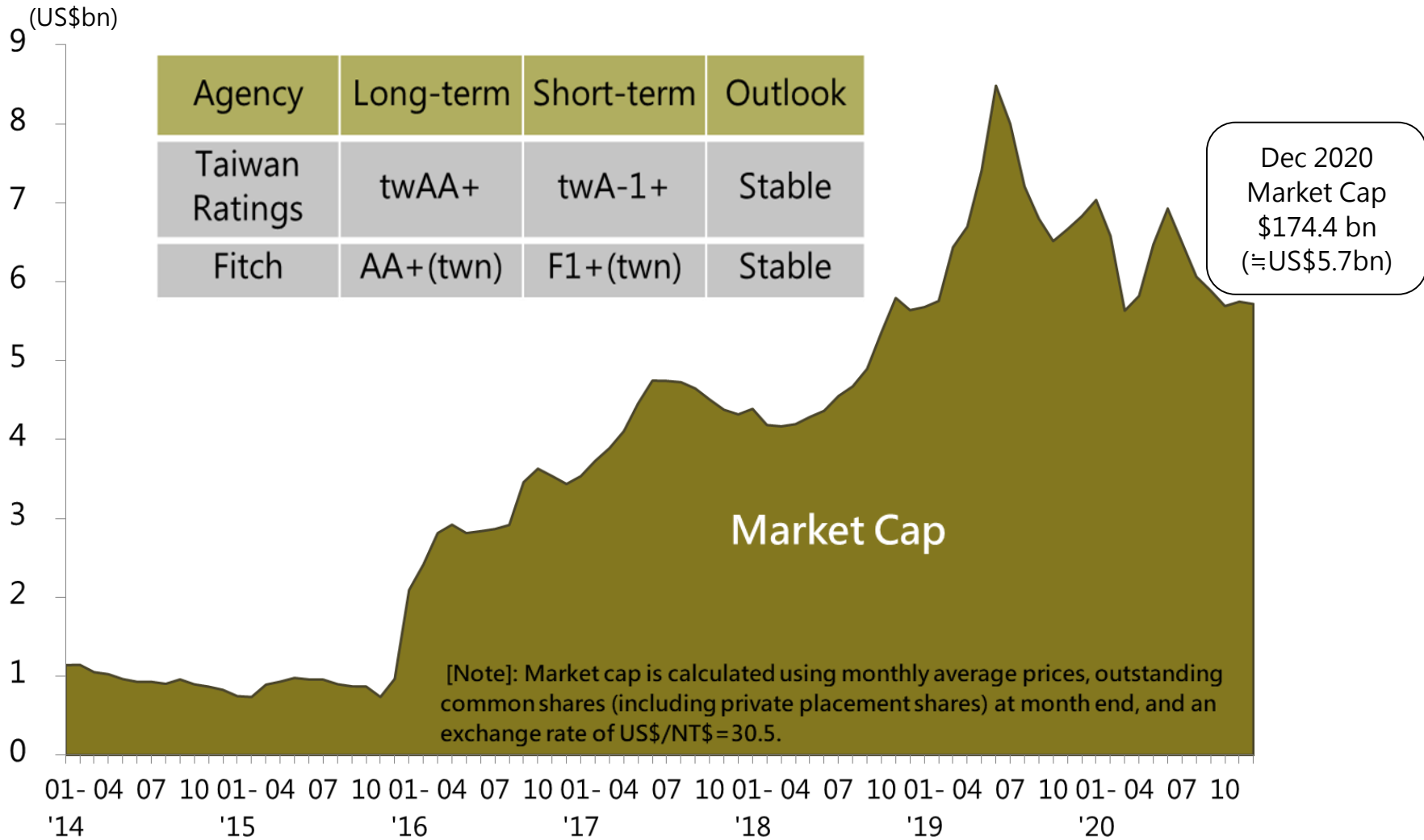
## 5. Statement of Cash Flows

(NT\$mn)	<b>2020.12.31</b>	<b>2019.12.31</b>
Cash & cash equivalents at the beginning of the period	16,272	6,948
Cash flows from operating activities	(1,532)	28,546
Cash flows from investing activities	821	(12,761)
Cash flows from financing activities	(14,909)	(6,462)
Net increase in cash & cash equivalents	(15,620)	9,324
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>652</b>	<b>16,272</b>

# 2、Financial Risk Management



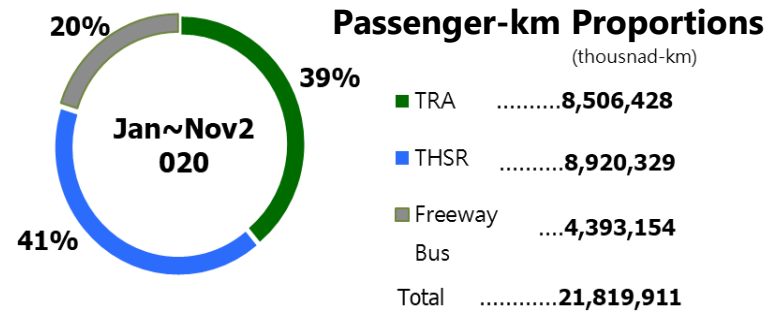
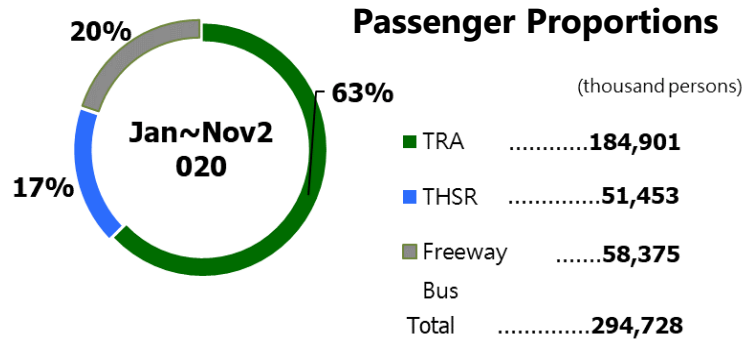
# 3. Corporate Credit Ratings & Market Cap



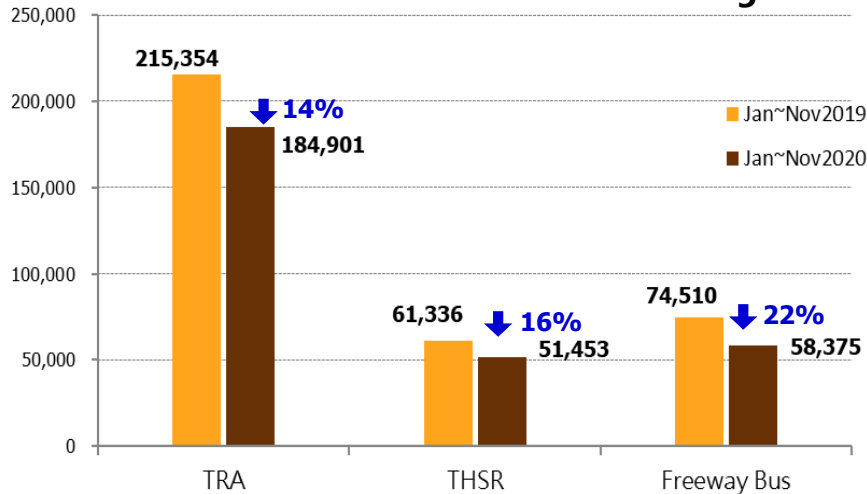


# III 、 INTER-CITY PUBLIC TRANSPORT MARKET

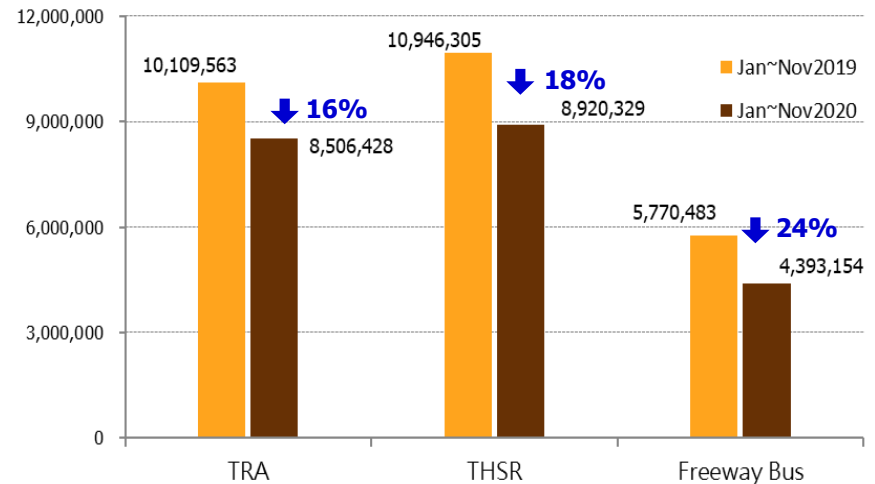
# Inter-City Public Transport Market



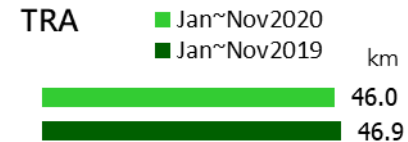
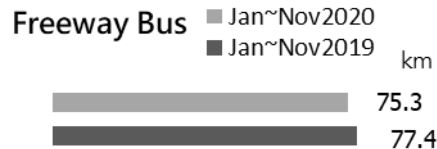
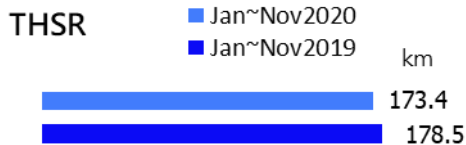
(thousand persons) **Jan~Nov 2020 Trend of Passenger Status**



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



## Avg, Passenger Distance



Source : MOTC



# IV、OPERATION OUTLOOK

1. Operation Strategies
2. Sustainability Performance & Environmental Protection



# 1. Operation Strategies



## Revenue



- Promote T Holiday packages and increase off-peak loading factor.
- Provide diversified products based on different customer characteristics.
- Precision marketing, membership economy.
- Expand non-ticket revenue from co-branded retail products.

## Finance



- Reduce the scale of bank loans.
- Raise funds from capital and money market with lower cost.
- Reduce interest expenses.

## Cost



- Support domestic suppliers to develop equipment for maintenance, testing, and system.
- Expand localization of maintenance materials and components.

## 2、Sustainability Performance、Environmental Protection



In 2017, THSRC developed the sustainability strategy blueprint, with 4Ts, including Transportation – Professional Transportation, Technology – Innovative Technology, Taiwan – Enhancing Local Connection, and Touch – Sustainable Care, as the backbone of sustainable management. Our sustainability strategy blueprint corresponds to the United Nations Sustainable Development Goals(SDGs), thus setting the direction of deepening and practicing sustainability at THSRC.

### Won the 2020 Taiwan Top Ten Sustainable Model Enterprise Award



THSRC won the National Brand Yushan Award; Chairman Chiang gave a speech on behalf of the award-winning companies at the Presidential Office Building.

Sustainability Performance



FTSE4Good  
TIP Taiwan ESG Index

(FTSE4Good Index Series)

**Top 5% of  
Corporate  
Governance  
Evaluation s Award**

For the 3<sup>rd</sup> consecutive  
year



**Taiwan Corporate  
Sustainability Awards**



# 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>

