

Ticker Symbol: 2633



Taiwan High Speed Rail Corporation

3Q, 2021 Operation Report

11/29/2021



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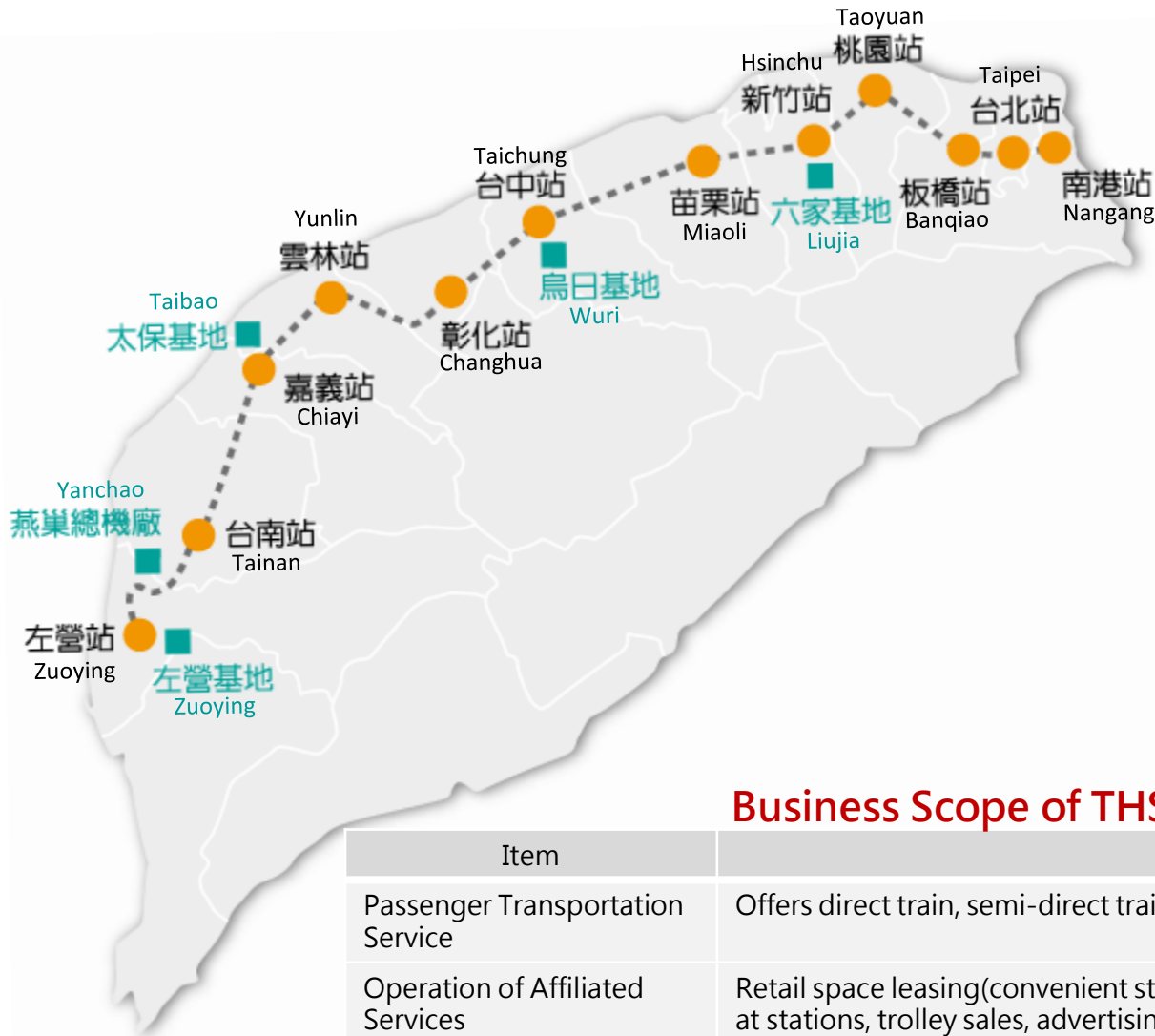
AGENDA

- I. BUSINESS OVERVIEW
- II. FINANCIAL OVERVIEW
- III. OPERATIONAL OVERVIEW

I. BUSINESS OVERVIEW

1. High-Speed Rail Network
2. Operational Performance

1. High-Speed Rail Network



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

Business Scope of THSRC

Item	Content
Passenger Transportation Service	Offers direct train, semi-direct train, and stopping train transport.
Operation of Affiliated Services	Retail space leasing(convenient stores, food and beverage, etc.), retail, parking lots at stations, trolley sales, advertising sales(lightboxes, wall space, column space, product displays, train decorations, etc.).

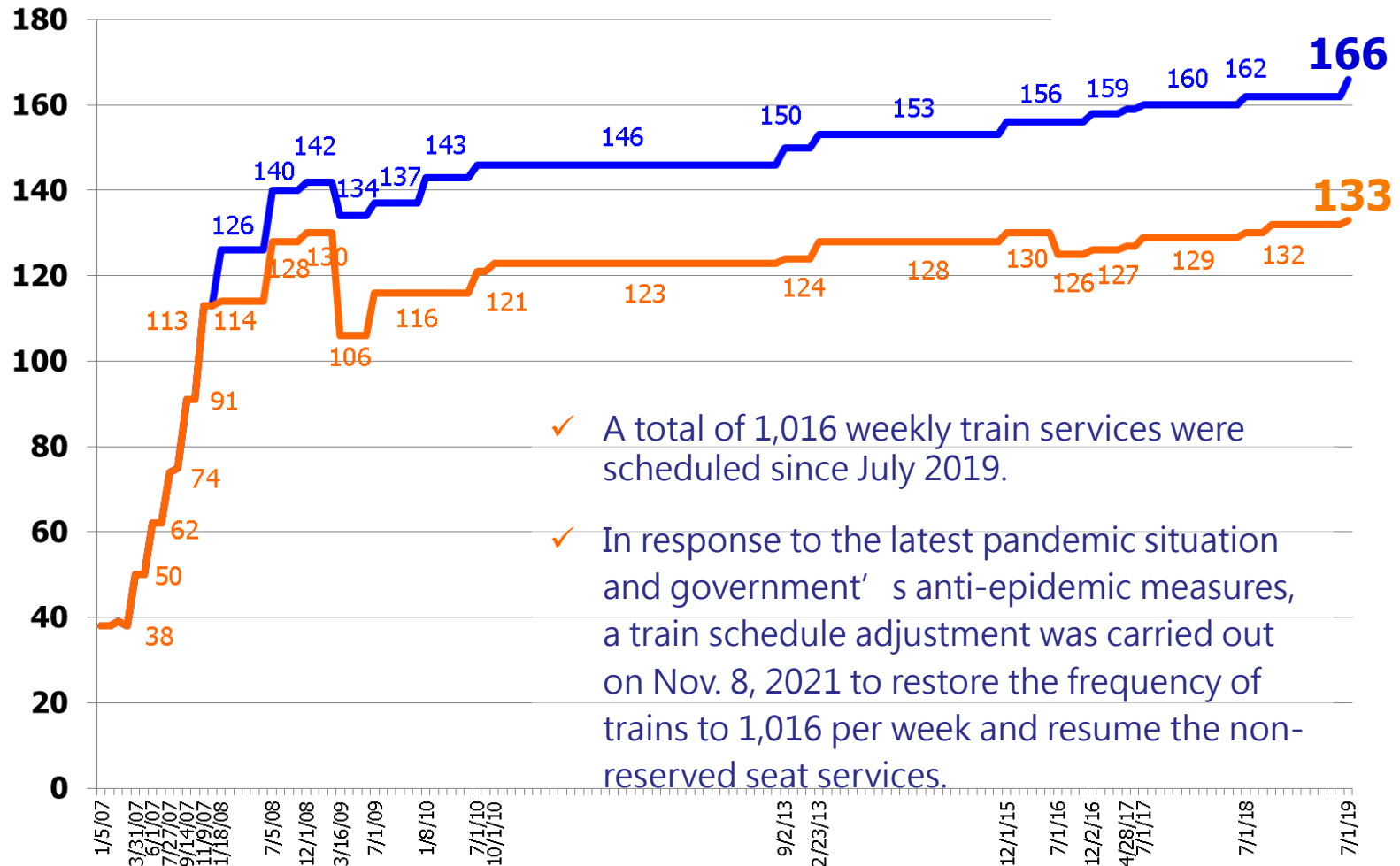
2. Operational Performance



1. Train Frequency

(Daily Frequency)

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

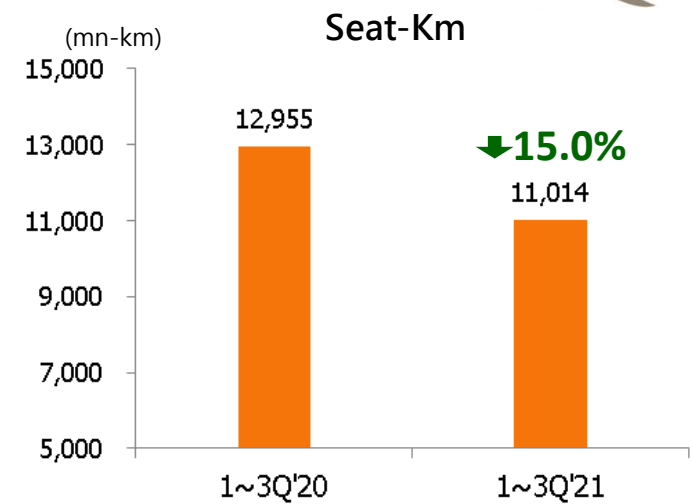
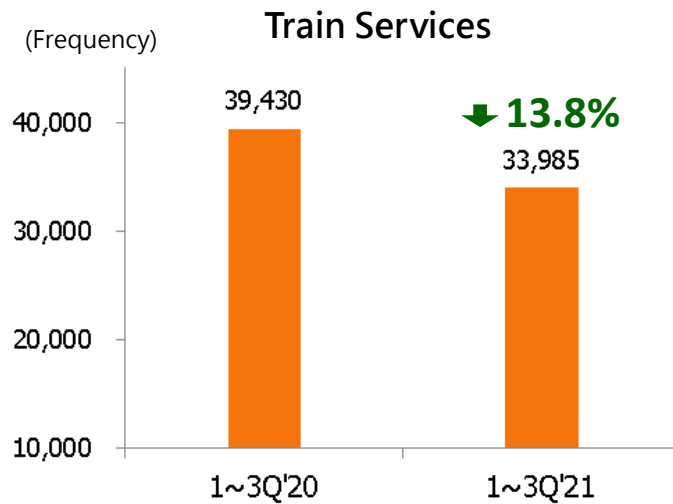


- ✓ A total of 1,016 weekly train services were scheduled since July 2019.
- ✓ In response to the latest pandemic situation and government's anti-epidemic measures, a train schedule adjustment was carried out on Nov. 8, 2021 to restore the frequency of trains to 1,016 per week and resume the non-reserved seat services.

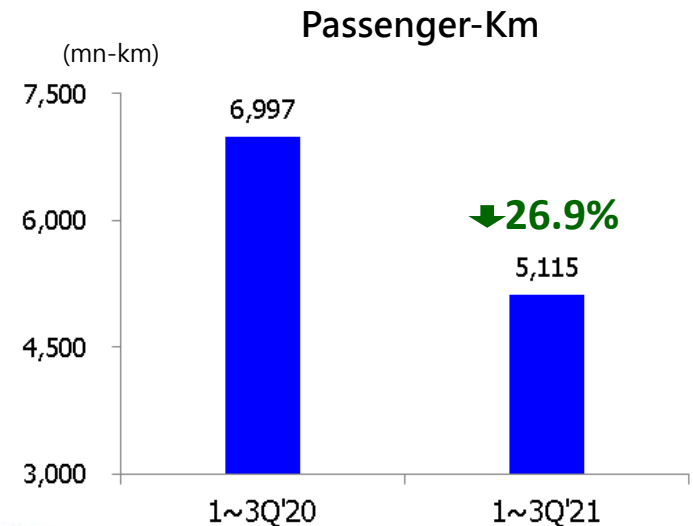
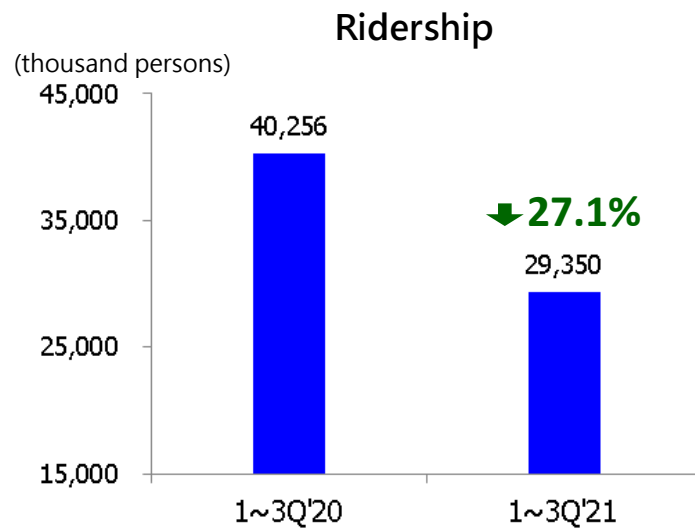
2. Trend of Transportation Capacity & Volume



Transportation Capacity



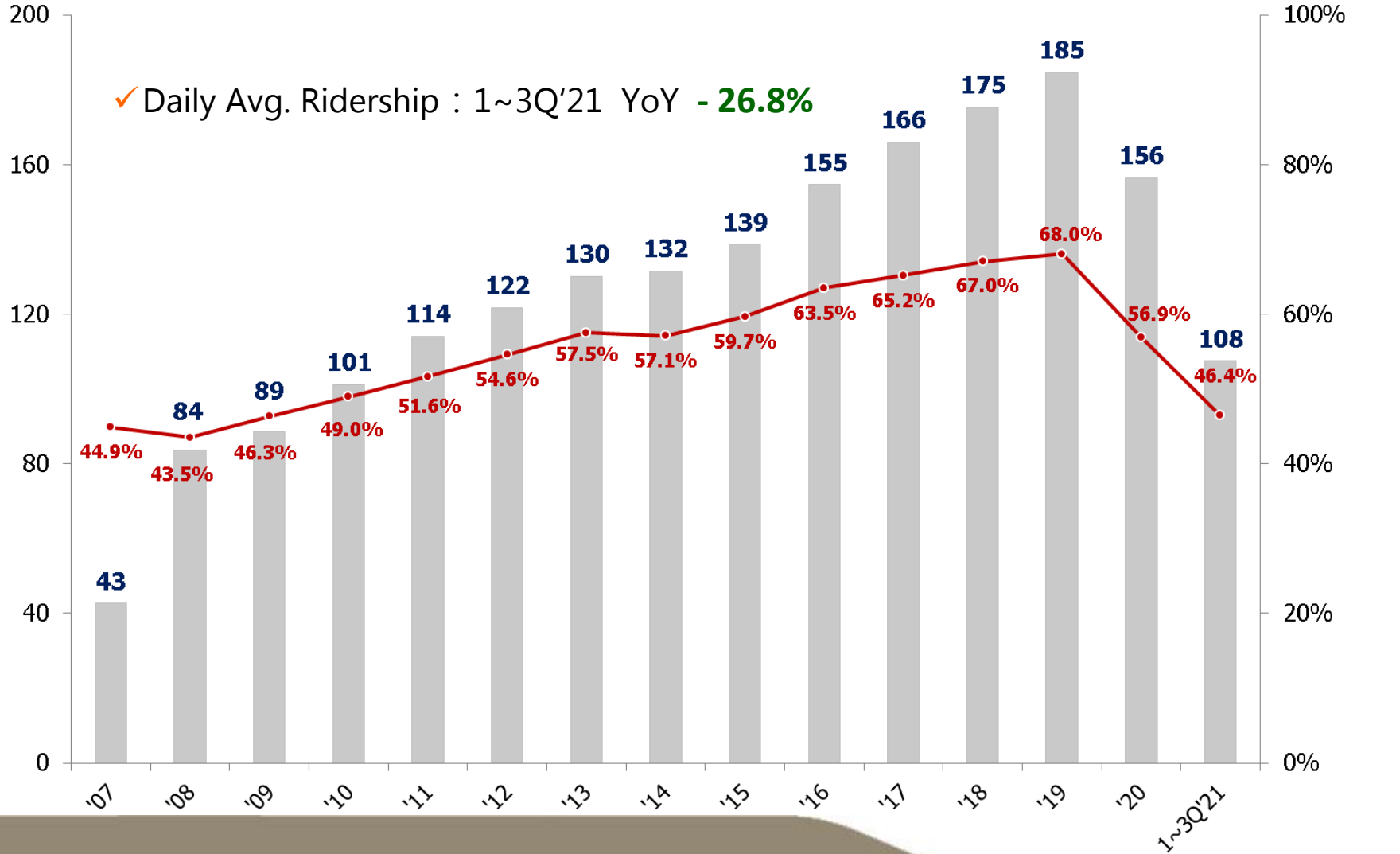
Transportation Volume



3. Ridership & Loading Factor



(thousand persons/day)



4. Operational Performance



	2021.01.01 ~ 2021.9.30	2007.01.05 ~ 2021.9.30
Train Services	33,985	705,721
Cumulative Passengers (million passengers)	29.4	682.8
Passenger Kilometers (million-km)	5,115	129,411
Loading Factor	46.44 %	56.33 %
Reliability	100 %	99.69 %
Punctuality (delay < 5 min)	98.73 %	99.47 %
Avg. Delay Time (min)	0.33	0.2
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

1. Financial Performance



1. Income Statement

(NT\$m)	1~3Q'2021		1~3Q'2020		Variance Amount	YoY %
Operating revenue	20,577	100%	27,629	100%	(7,052)	-25.5%
Operating costs	(19,222)	-94%	(19,371)	-70%	149	-0.8%
Gross Profit	1,355	6%	8,258	30%	(6,903)	-83.6%
Operating expenses	(893)	-4%	(859)	-3%	(34)	4.0%
Net Operating Income	461	2%	7,399	27%	(6,938)	-93.8%
Non-operating income and expenses						
Interest expenses	(4,300)	-21%	(4,481)	-16%	181	-4.0%
Stabilization reserve	6,872	34%	(251)	-1%	7,123	-2837.8%
Others	112	1%	315	1%	(203)	-64.4%
Net Income before tax	3,146	15%	2,982	11%	164	5.5%
Income tax	(440)	-2%	294	1%	(734)	-249.7%
Net Income	2,705	13%	3,276	12%	(571)	-17.4%
EPS	0.48		0.58			

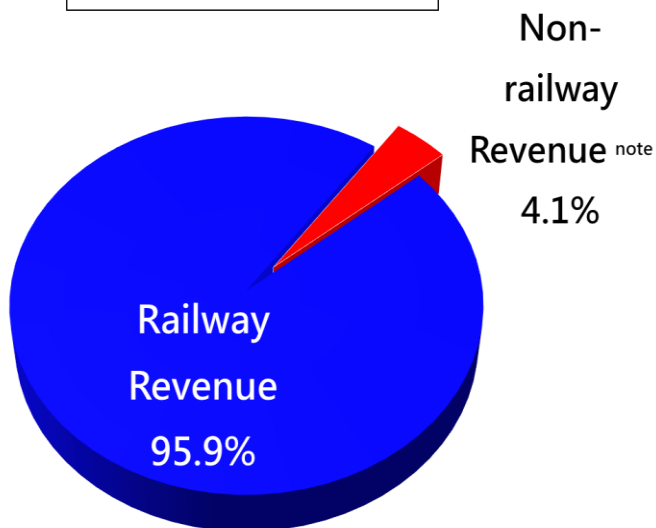


2. Net Profits & Operating Revenues

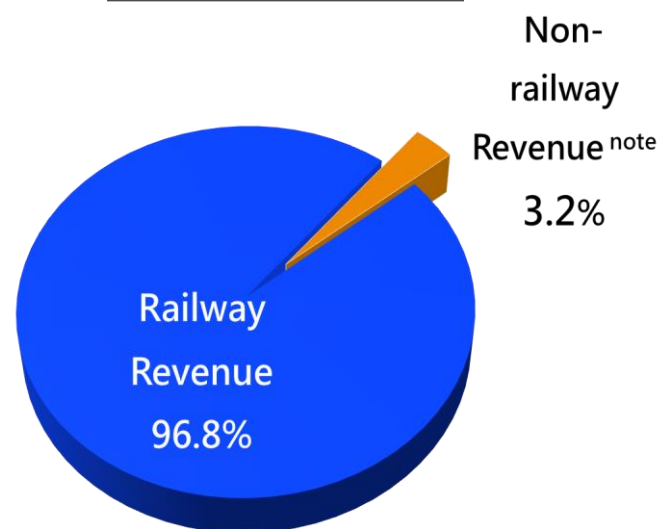
1) Revenue Structures

(NT\$bn)	1~3Q'21	1~3Q'20	YoY%
Railway Revenue	19.73	26.73	-26.2%
Non-railway Revenue	0.85	0.90	-5.0%
Total	20.58	27.63	-25.5%

1~3Q'2021 Revenue Mix



1~3Q'2020 Revenue Mix

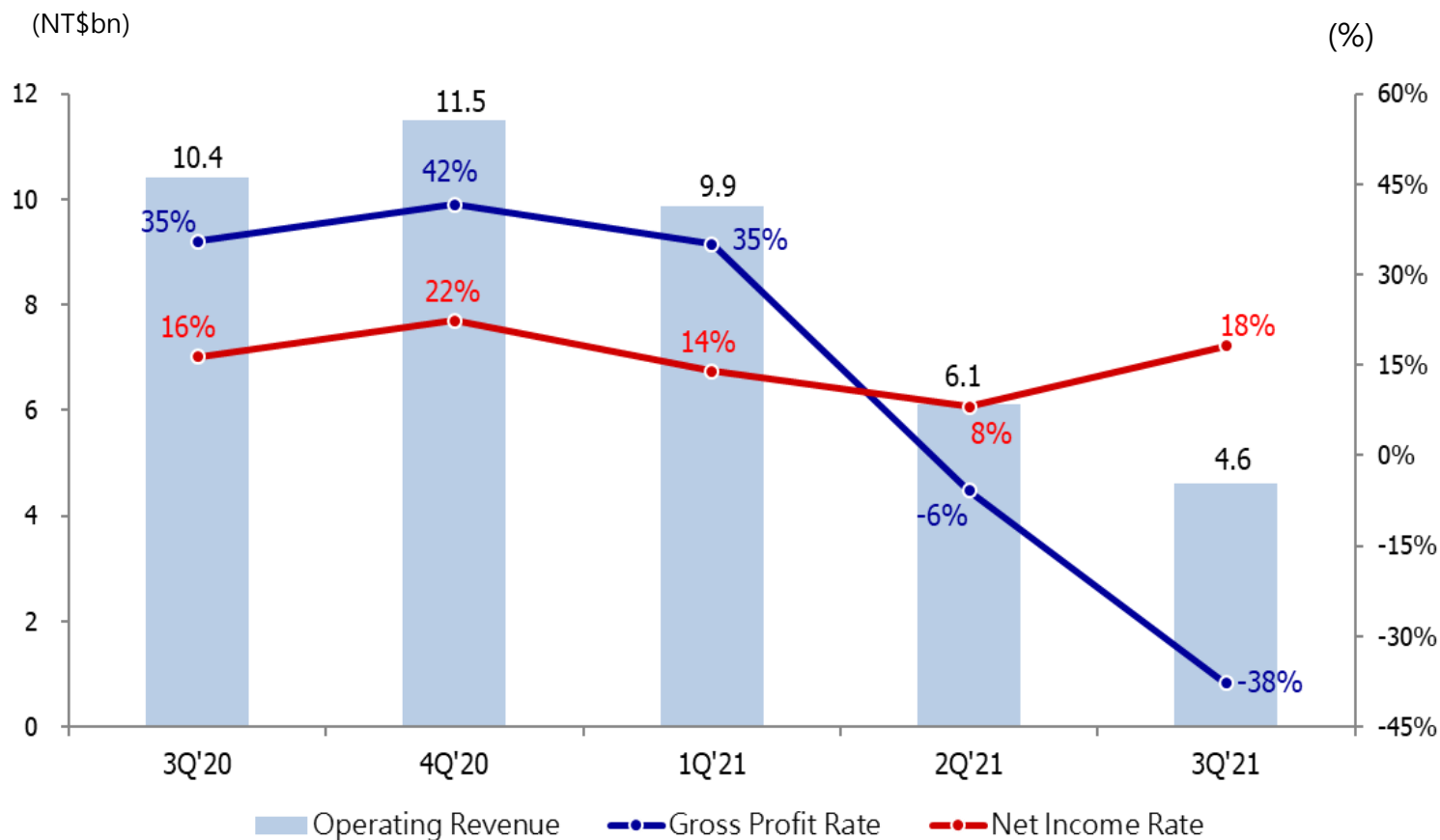


Note: Non-railway revenues mainly include rental incomes, advertising revenues, and onboard sales



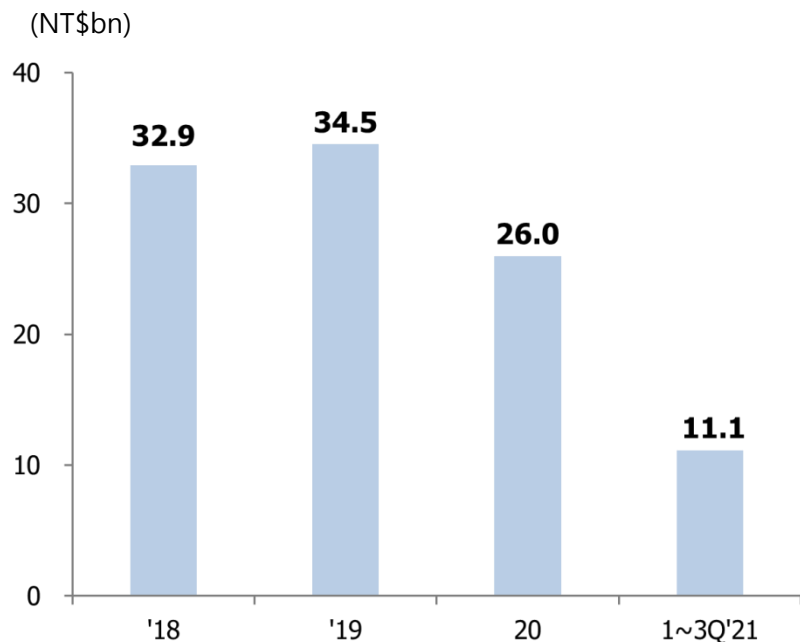
2. Net Profits & Operating Revenues

2) Operating Revenue, Gross Profit & Net Income



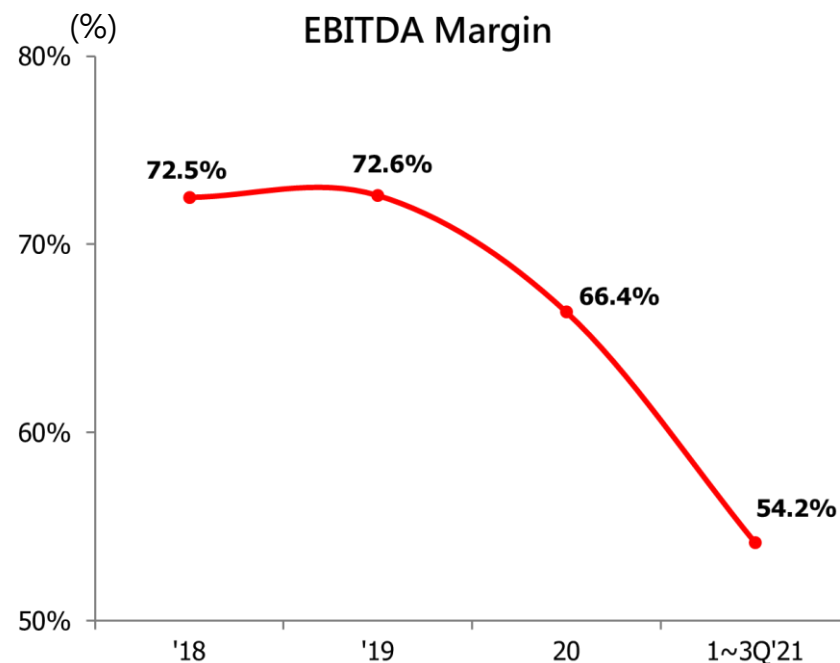


3. EBITDA & EBITDA Margin



✓ EBITDA

- 1~3Q'21 : YoY - **38.2%**



✓ EBITDA Margin

- Due to the pandemic impact, nationwide epidemic alert had raised to Level 3, revenue fell during 2Q'21 and 3Q'21. As a result, EBITDA Margin of 1~3Q'21 reduced to 54.2%.



4. Balance Sheets

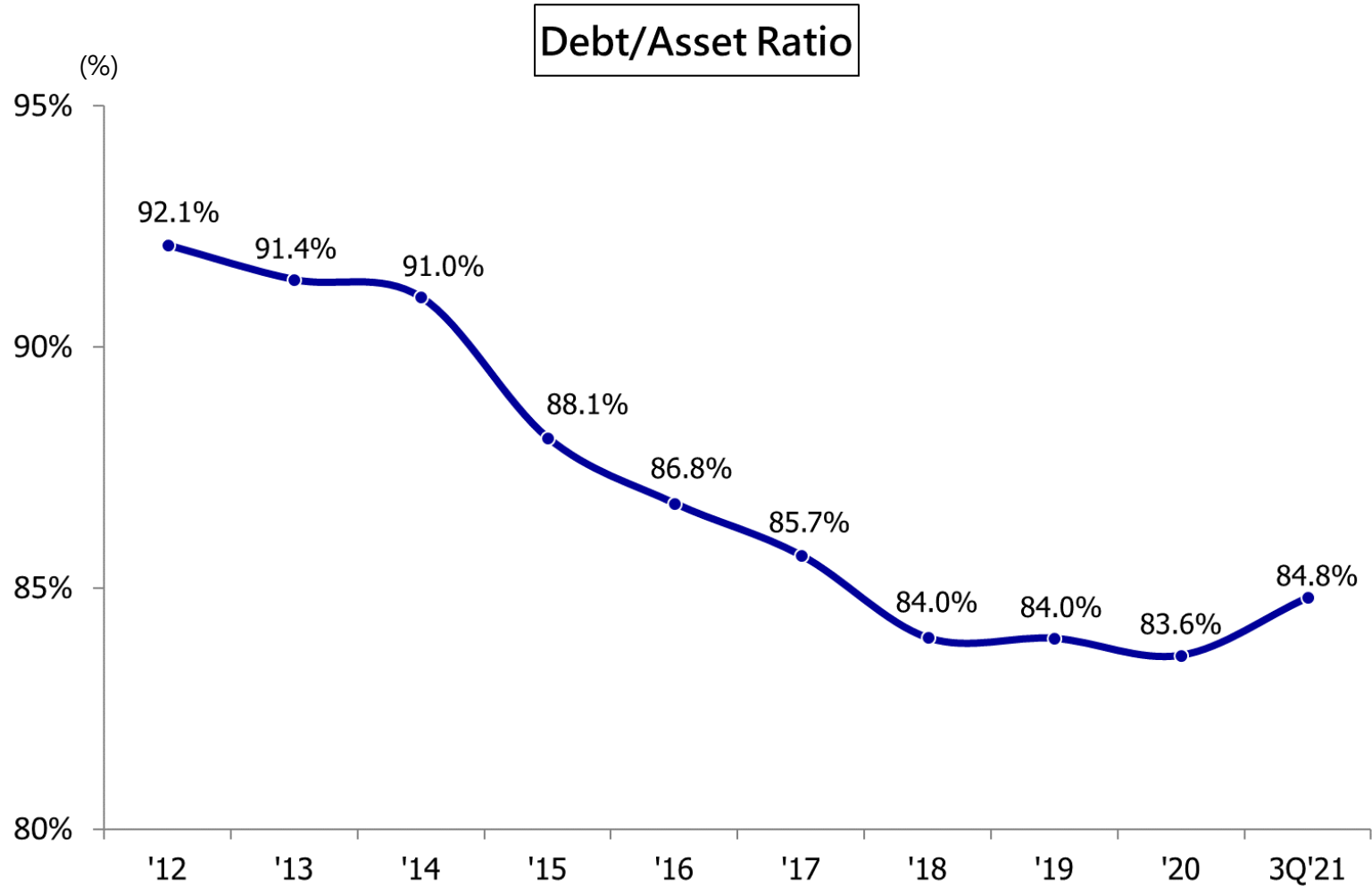
(NT\$mn)	2021.9.30	2020.12.31	2020.9.30
Current assets	60,323	38,621	32,074
Operating concession asset	369,686	378,291	380,808
Other non-current assets	10,197	10,654	10,266
Total assets	440,207	427,567	423,148
Current liabilities	28,275	7,067	5,344
Non-current liabilities	345,049	350,413	350,262
Total liabilities	373,324	357,480	355,606
Common stock	56,283	56,283	56,283
Capital surplus	173	173	173
Legal reserve & unappropriated earnings	10,426	13,631	11,086
Total equity	66,882	70,087	67,542
Total liabilities & equity	440,207	427,567	423,148



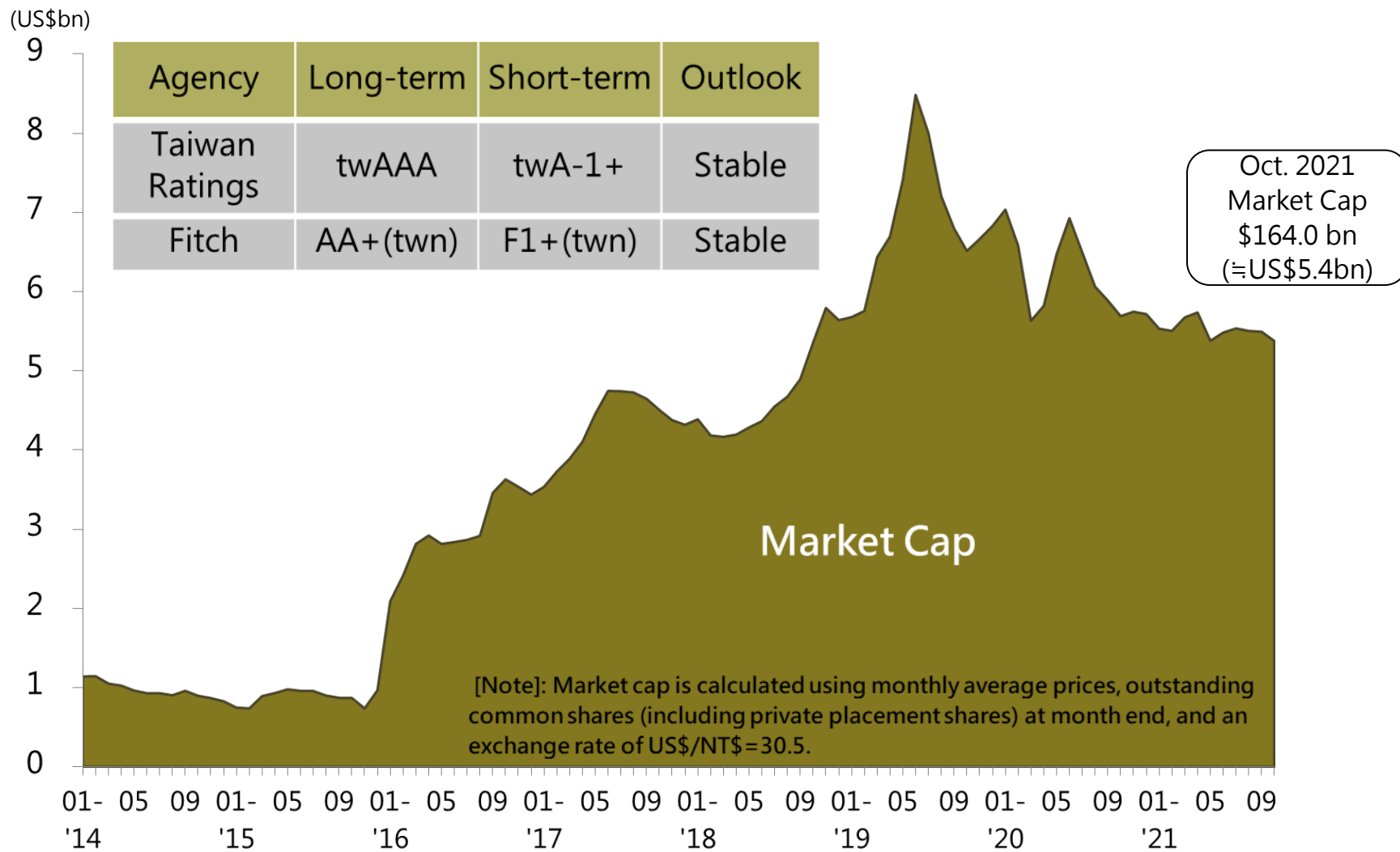
5. Statement of Cash Flows

(NT\$mn)	2021.9.30	2020.12.31	2020.9.30
Cash & cash equivalents at the beginning of the period	652	16,272	16,272
Cash flows from operating activities	21,932	(1,532)	(6,126)
Cash flows from investing activities	7,214	821	6,051
Cash flows from financing activities	17,996	(14,909)	(14,914)
Net increase in cash & cash equivalents	47,141	(15,620)	(14,988)
Cash & cash equivalents at the end of the period	47,793	652	1,283

2、Financial Risk Management



3. Corporate Credit Ratings & Market Cap



4 · Recent Major Events



Date	Events
2021.7	<ul style="list-style-type: none"><li data-bbox="330 354 1779 582">● THSRC issued a 2021 first unsecured corporate bond, comprised of NT\$ 4 bn for Tranche A, with an issuance period of 3 years at a fixed interest rate of 0.32% p.a., and NT\$ 4 bn for Tranche B, with an issuance period of 4 years at a fixed interest of 0.35% p.a.<li data-bbox="330 654 1779 882">● THSRC entered into non-guaranteed commercial paper underwriting agreements with three bills finance companies, enabling the Company to issue non-guaranteed commercial paper (up to 90 days) on a revolving basis during a period of 5 years. The total underwriting amount is NT\$ 15 bn.
2021.8	<ul style="list-style-type: none"><li data-bbox="330 951 1779 1122">● The 2020 cash dividend distribution proposal has been approved by 2021 Annual Shareholders' Meeting, each common share is entitled to receive a cash dividend of NT\$ 1.05.<li data-bbox="330 1179 1779 1279">● THSRC issued a 2021 second unsecured corporate bond (Sustainability Bond), comprised of NT\$ 1 bn, with a maturity of 3 years and a fixed coupon rate of 0.30%.



III. OPERATIONAL OVERVIEW

1. Post-Pandemic Operational Growth Strategies
2. CSR Performance

1、Post-Pandemic Operational Growth Strategies



- To meet the demand of various passengers, THSRC provides diversified tourism products, expand scope of channels, optimize mobile ticketing platform, and strengthen THSR brands to increase operational growth.

Product

- Launch diversified products in domestic tourism market, such as T Holiday and combo tickets (hotel, local travel, overseas).
- Implement market demand products (THSR+Michelin route).

Cost

- Seek to lower capital cost to reduce financial expenses.
- Promote localization of railway industry and enhance local component suppliers to reduce operational costs.

Channel

- Expand travel e-commerce platform channels.
- Increase resource sharing with external channels to create more benefits.

Promotion

- Launch the "5000 Quintuple Stimulus Voucher" promotion program.
- Promote the TGo membership program to build TGo membership economy and develop precision marketing.



2. CSR Performance



ESG (Environmental 、 Social 、 Governance) Promote and Awards

- ✓ 2021.07 Continued to be selected as a constituent of the "FTSE4Good Index Series."

- ✓ 2021.04 Ranked top 5% in Corporate Governance Evaluation for the fourth consecutive years.

- ✓ 2021.03 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.

- ✓ 2021.01 The THSRC e-procurement, a paperless procurement process, was introduced to implement environmental protection and to promote sustainable supply chain development.

- ✓ 2020.12 The first domestic railway company to obtain Environmental Management System (EMS) certification from the British Standards Institute (BSI).

- ✓ 2020.07 Awarded excellent certification under the Corporate Governance Evaluations, hosted by the Taiwan Corporate Governance Association.

- ✓ 2020.07 Continued to be selected as a constituent of the "TWSE CG 100 Index."

- ✓ 2020.06 Continued to be selected as a constituent of the "FTSE4GOOD TIP Taiwan ESG Index."

- ✓ 2014.11 Awarded with the carbon footprint certificate for high-speed rail service, THSR was the first domestic transportation mode to obtain the carbon 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>

