

Ticker Symbol: 2633



Taiwan High Speed Rail Corporation 1H, 2020 Operation Report

08/17/2020



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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)

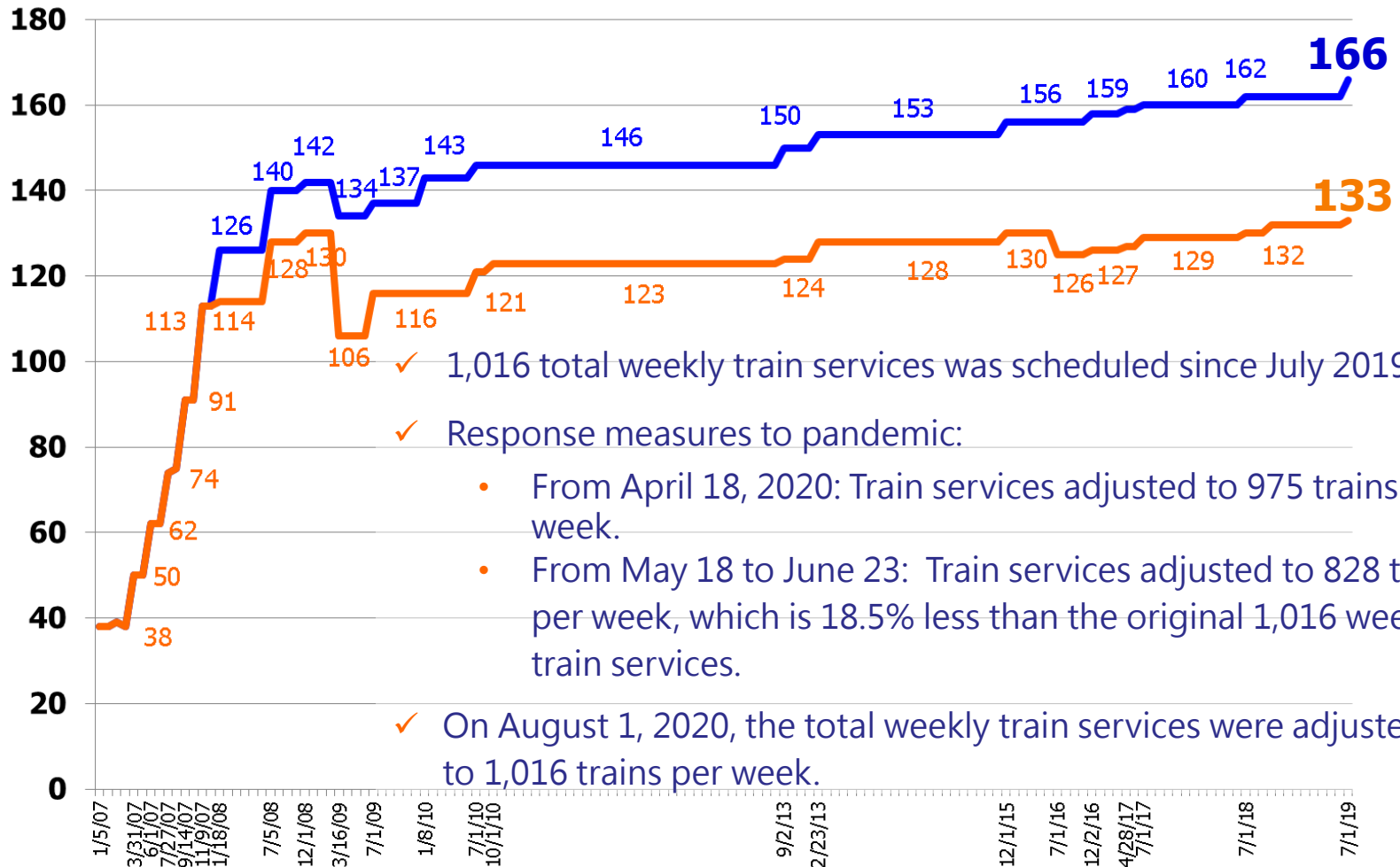
2、Operational Performance



1. Train Frequency

(Daily Frequency)

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



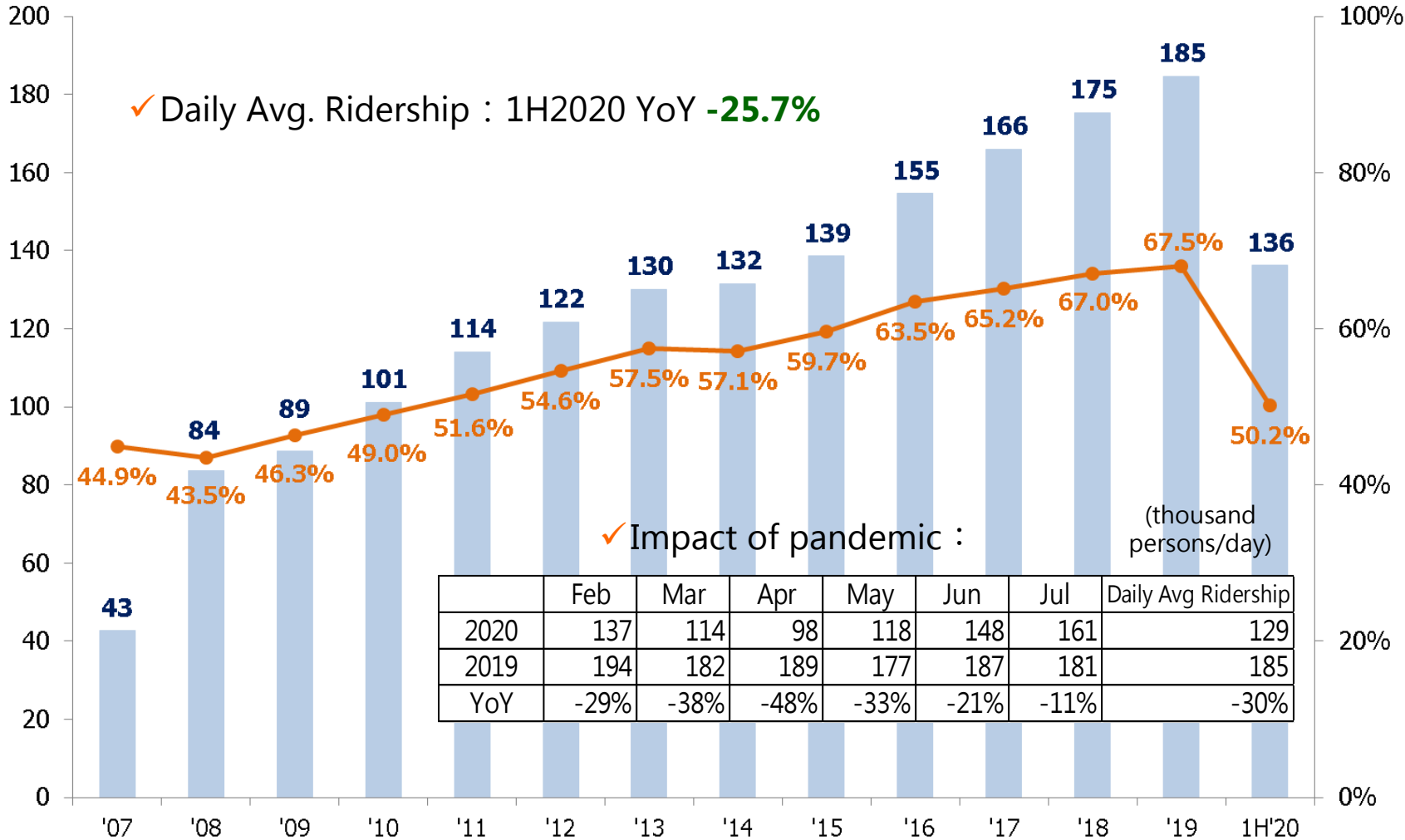
- ✓ 1,016 total weekly train services was scheduled since July 2019
- ✓ Response measures to pandemic:
 - From April 18, 2020: Train services adjusted to 975 trains per week.
 - From May 18 to June 23: Train services adjusted to 828 trains per week, which is 18.5% less than the original 1,016 weekly train services.
- ✓ On August 1, 2020, the total weekly train services were adjusted back to 1,016 trains per week.

2. Ridership & Loading Factor



(thousand persons/day)

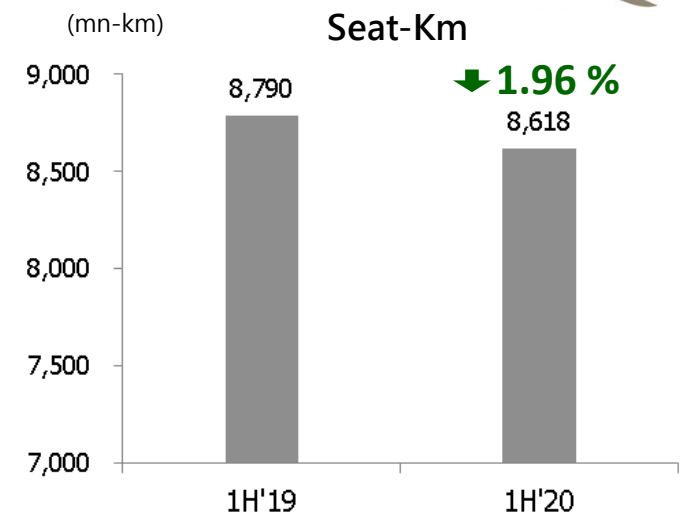
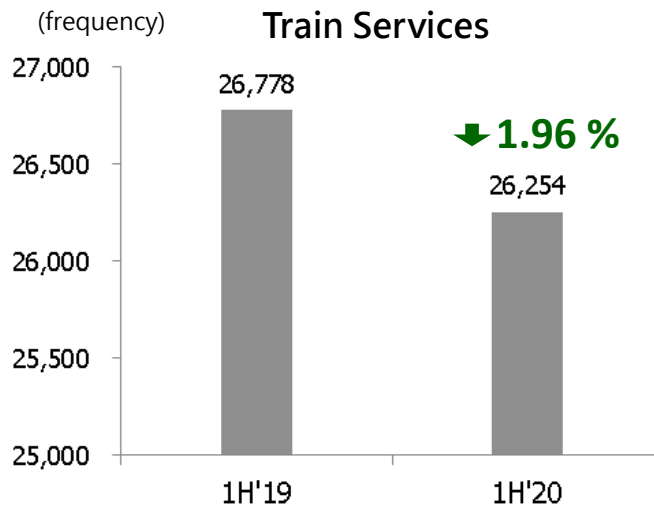
Load Factor (%)



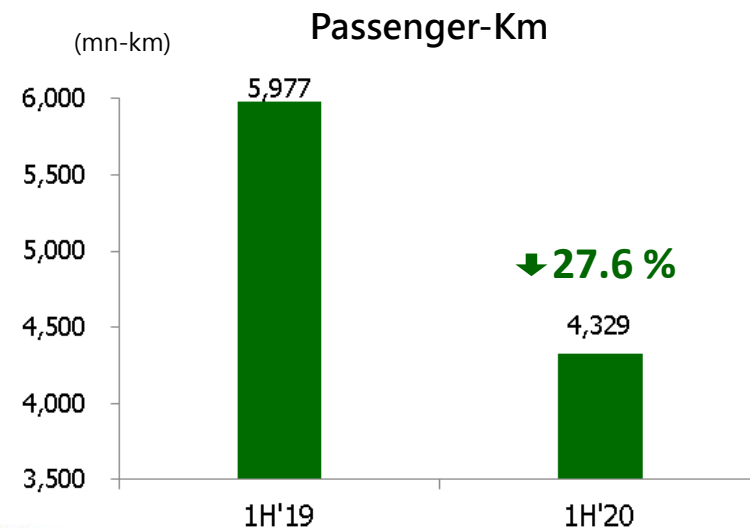
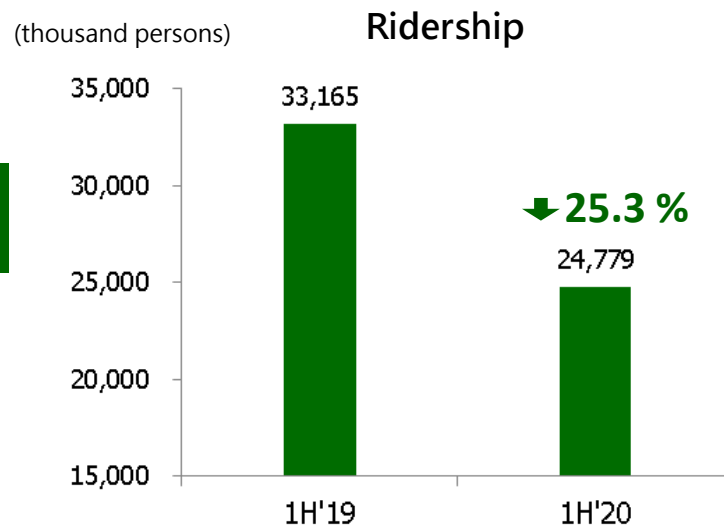
3. Trend of Transportation Capacity & Volume(1H 2020 vs 1H 2019)



Transportation Capacity



Transportation Volume



4. Operational Performance



	2020.01.01 ~ 2020.06.30	2007.01.05 ~ 2020.06.30
Train Services	26,254	644,914
Cumulative Passengers (million passengers)	24.8	621.0
Passenger Kilometers (million-km)	4,329	118,713
Loading Factor	50.2%	56.6%
Reliability	100%	99.67%
Punctuality (delay < 5min)	99.92%	99.51%
Avg. Delay Time (min)	0.05	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 (1H 2020 vs. 1H 2019)

(NT\$m)	1H2020		1H2019		Variance Amount	Var. %
Operating revenue	17,206	100%	23,629	100%	(6,423)	-27.2%
Operating costs	(12,647)	-74%	(12,583)	-53%	(64)	0.5%
Gross Profit	4,558	26%	11,046	47%	(6,488)	-58.7%
Operating expenses	(555)	-3%	(585)	-3%	30	-5.1%
Net Operating Income	4,004	23%	10,461	44%	(6,457)	-61.7%
Non-operating income and expenses						
Interest expenses	(3,042)	-18%	(3,199)	-13%	157	-4.9%
Stabilization reserve	271	2%	(3,203)	-13%	3,474	-108.5%
Others	141	1%	116	-	25	21.6%
Net Income before tax	1,373	8%	4,175	18%	(2,802)	-67.1%
Income tax	194	1%	61	-	133	218.0%
Net Income	1,567	9%	4,236	18%	(2,669)	-63.0%
EPS	0.28		0.75			



2. Balance Sheets

(NT\$mn)	2020.6.30	2019.12.31	2019.6.30
Current assets	39,507	42,710	26,630
Operating concession asset	383,797	390,113	395,980
Other non-current assets	10,213	10,236	10,073
Total assets	433,518	443,060	432,683
Current liabilities	28,188	13,279	11,838
Non-current liabilities	339,496	358,703	353,499
Total liabilities	367,684	371,982	365,338
Common stock	56,283	56,283	56,283
Capital surplus	173	173	173
Legal reserve & unappropriated earnings	9,378	14,621	10,889
Total equity	65,834	71,077	67,345
Total liabilities & equity	433,518	443,060	432,683



3. Statement of Cash Flows

(NT\$mn)	2020.6.30	2019.12.31	2019.6.30
Cash & cash equivalents at the beginning of the period	16,272	6,948	6,948
Cash flows from operating activities	(3,876)	28,546	13,280
Cash flows from investing activities	538	(12,761)	(10,820)
Cash flows from financing activities	(7,999)	(6,462)	(7,877)
Net increase in cash & cash equivalents	(11,336)	9,324	(5,417)
Cash & cash equivalents at the end of the period	4,936	16,272	1,531

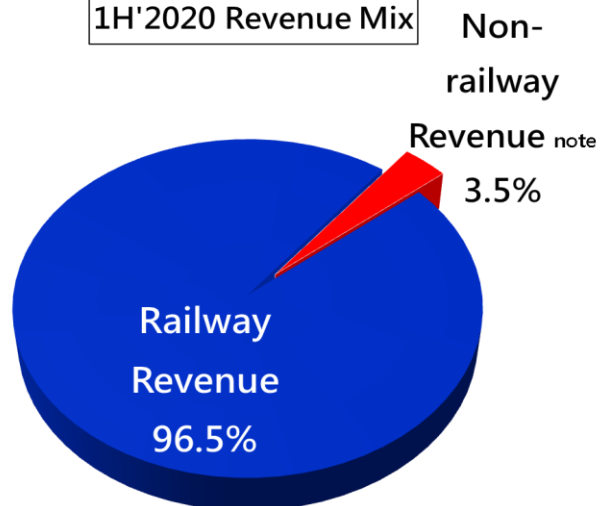


4. Net Profits & Operating Revenues

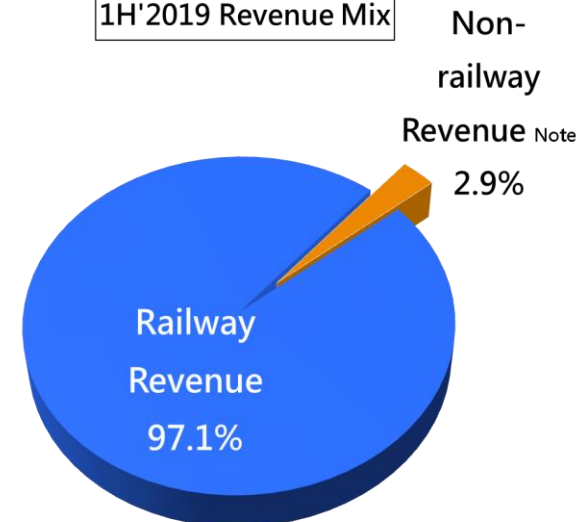
1) Revenue Structures

(NT\$bn)	1H2020	1H2019	YoY
Railway Revenue	16.61	22.94	-27.6%
Non-railway Revenue	0.59	0.69	-13.5%
Total	17.21	23.63	-27.2%

1H'2020 Revenue Mix



1H'2019 Revenue Mix

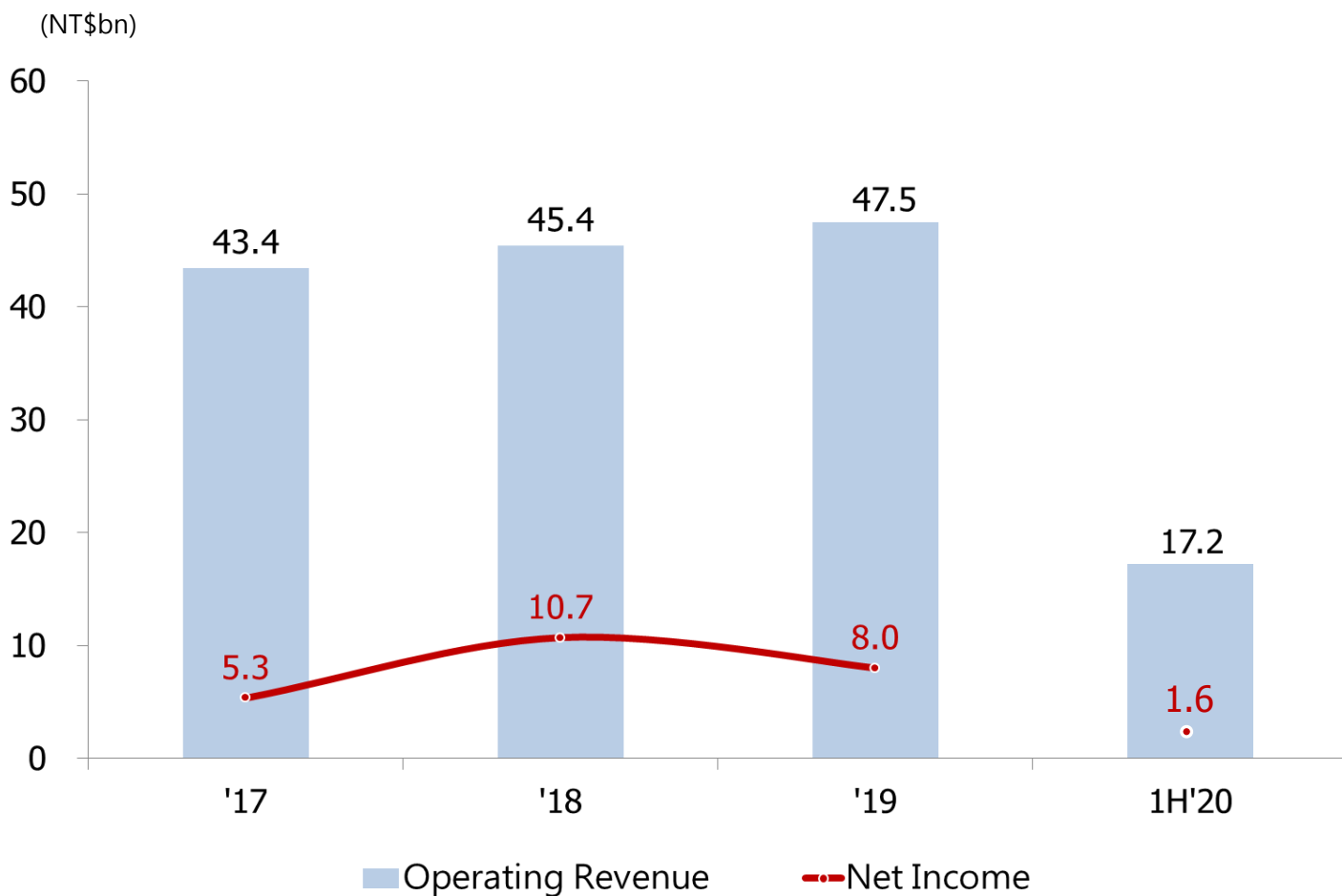


Note: Non-railway revenues mainly include rental incomes, advertising revenues, and onboard sales.

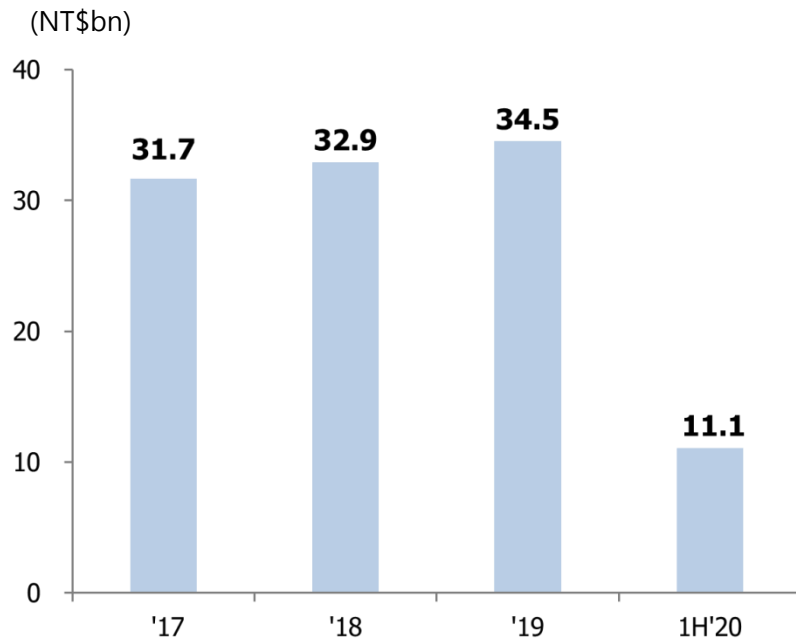


4. Net Profits & Operating Revenues

2) Operating Revenue and Net Income

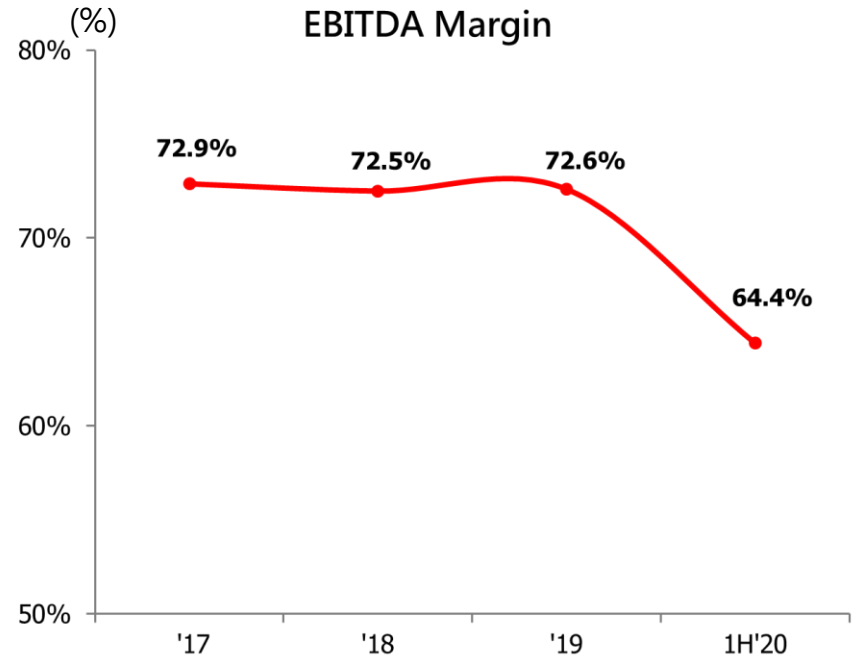


5. Operational Efficiency : EBITDA & EBITDA Margin



✓ EBITDA

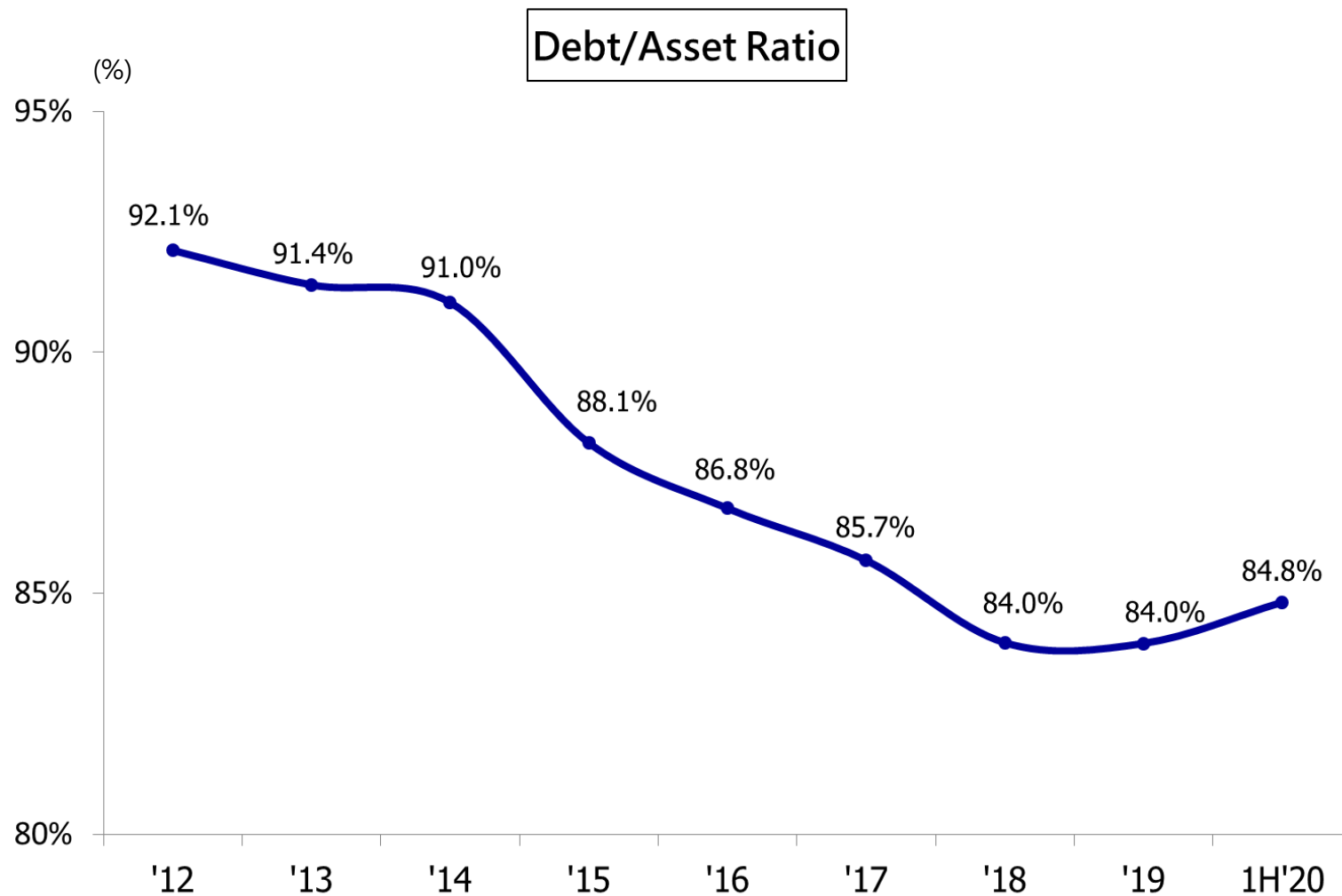
- 1H2020: YoY **-36%**



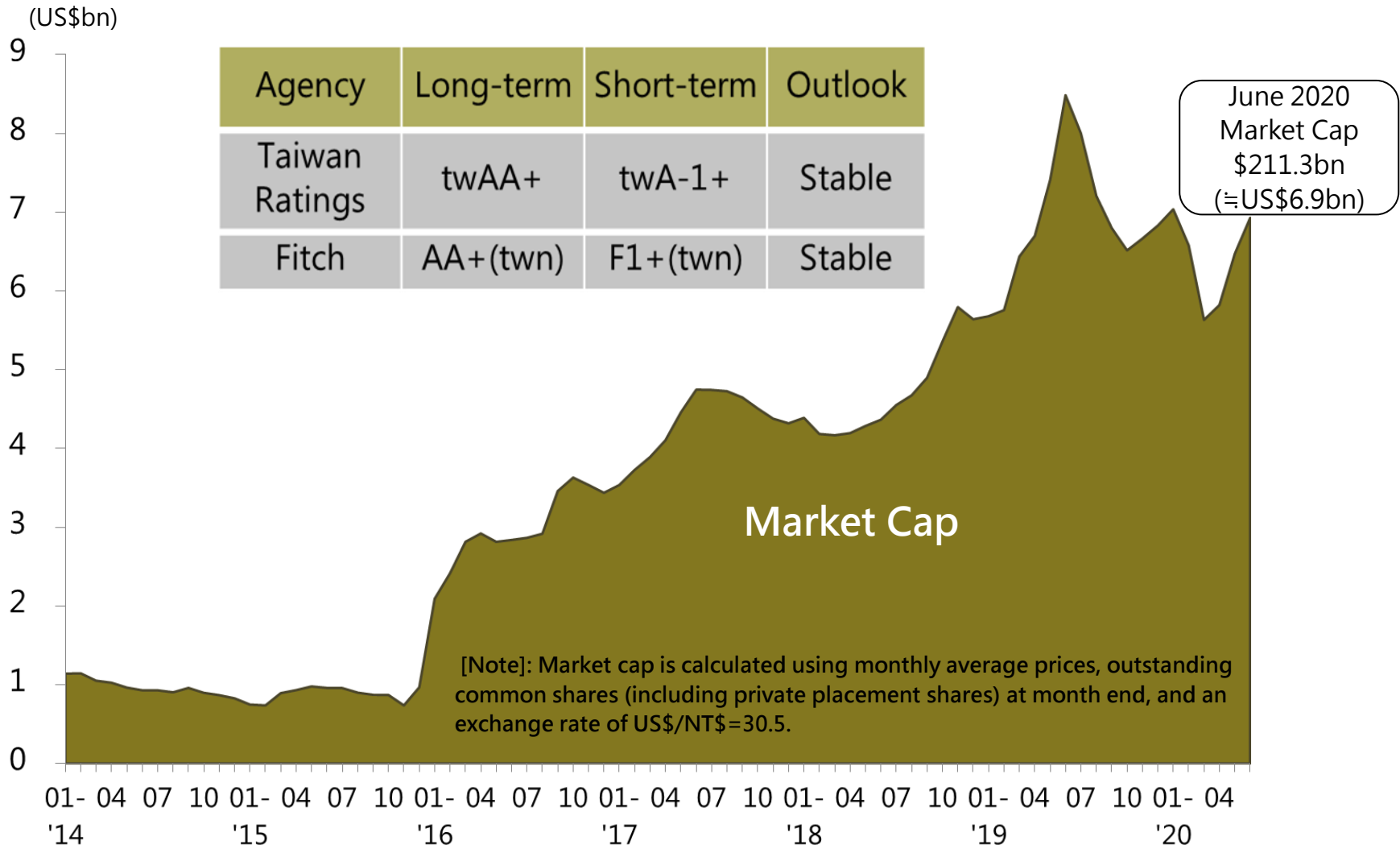
✓ EBITDA Margin

- '17~'19: 72%~73%
- Due to impact of pandemic, EBITDA Margin reduced to 64.4%

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

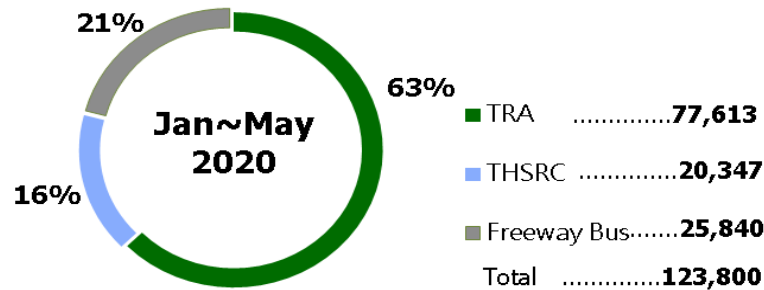
1. Inter-City Public Transport Market
2. CSR Performance

1. Inter-City Public Transport Market



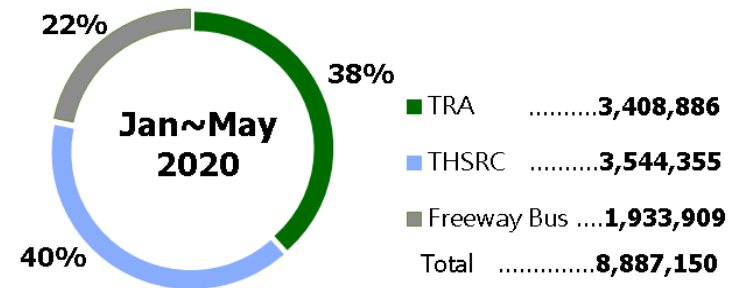
Passenger
(thousand persons)

Passenger Proportions

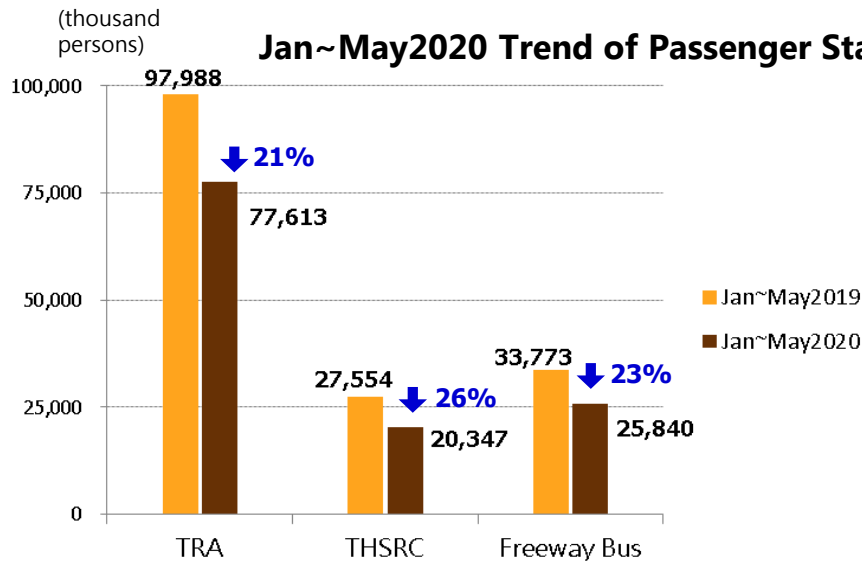


Passenger-km
(thousand persons-km)

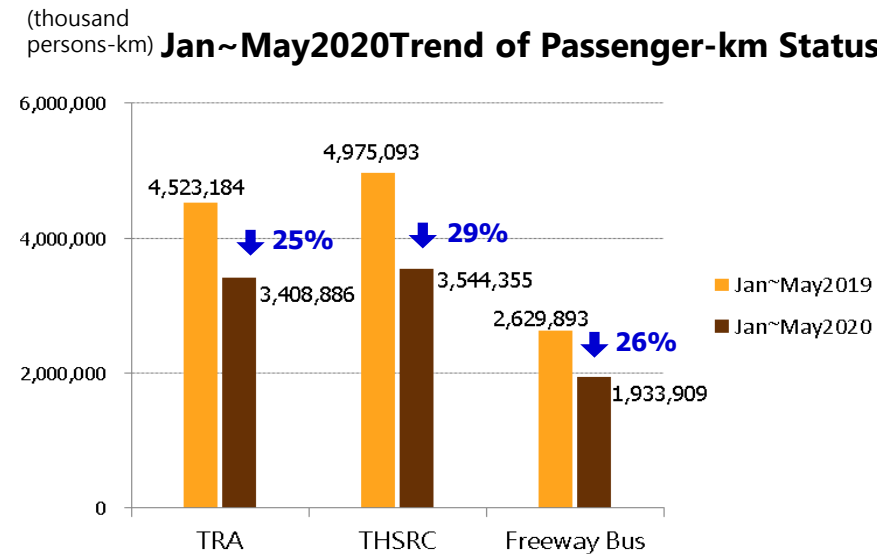
Passenger-km Proportions



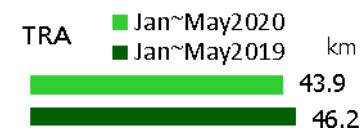
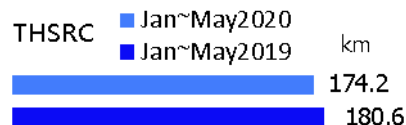
Jan~May2020 Trend of Passenger Status



Jan~May2020 Trend of Passenger-km Status



Avg. Passenger Distance



Source : MoTC

2. CSR Performance



Performance Highlights

- ✓ 2020.07 Continues to be selected by and listed in the “FTSE4Good Index Series.”
- ✓ 2020.07 Listed in the “Taiwan Employment Creation 99 Index.”
- ✓ 2020.06 Continues 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>

