

Ticker Symbol: 2633



Taiwan High Speed Rail Corporation 2019.2Q Fubon Investment Forum

5/14/2019



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AGENDA

- I、 BUSINESS OVERVIEW
- II、 FINANCIALS OVERVIEW
- III、 MARKET OVERVIEW
- IV、 PROSPECTS

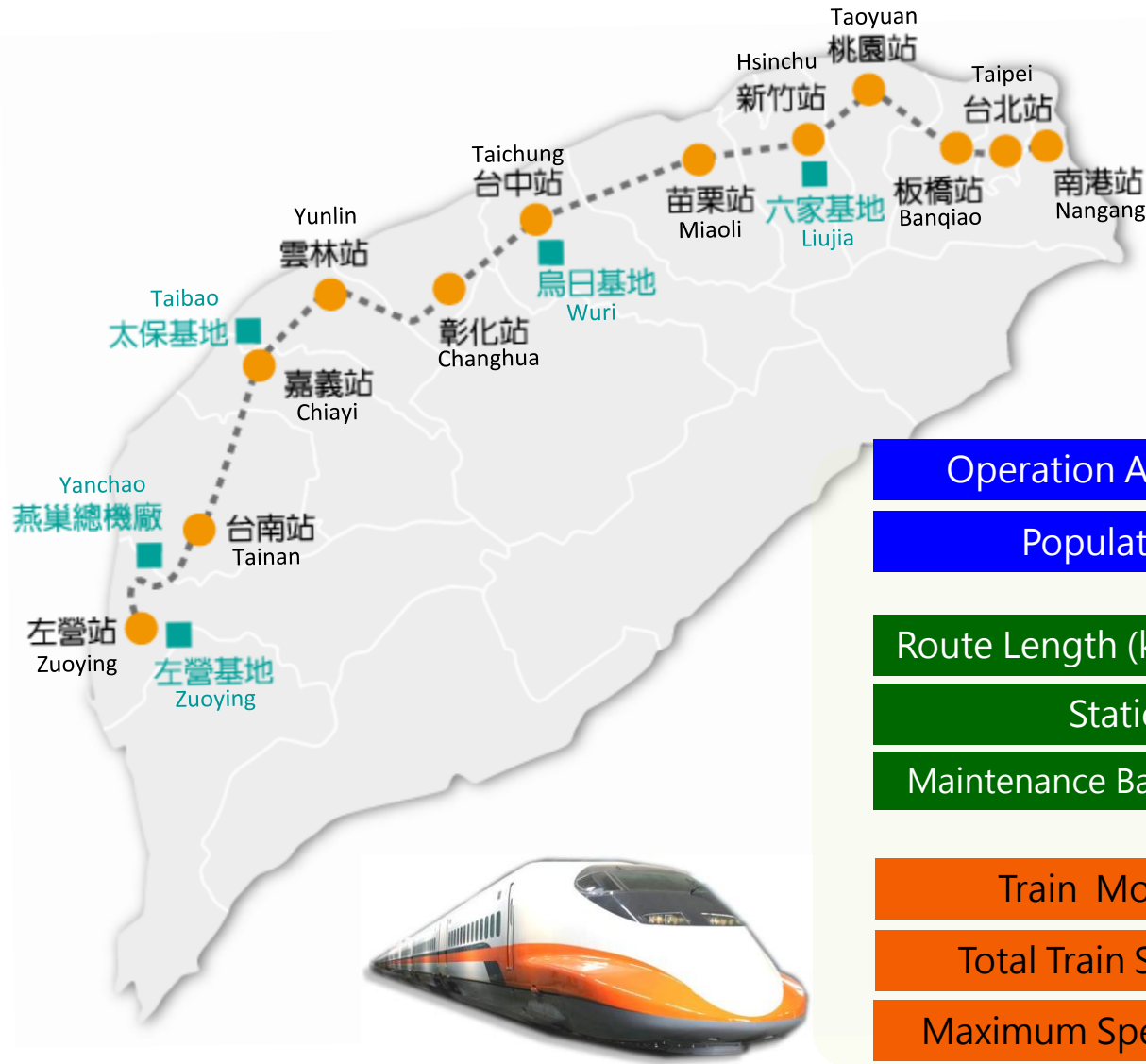


I、Business Overview

1. High-Speed Rail Network
2. Operational Performance



1. High-Speed Rail Network



● Stations
■ Bases

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

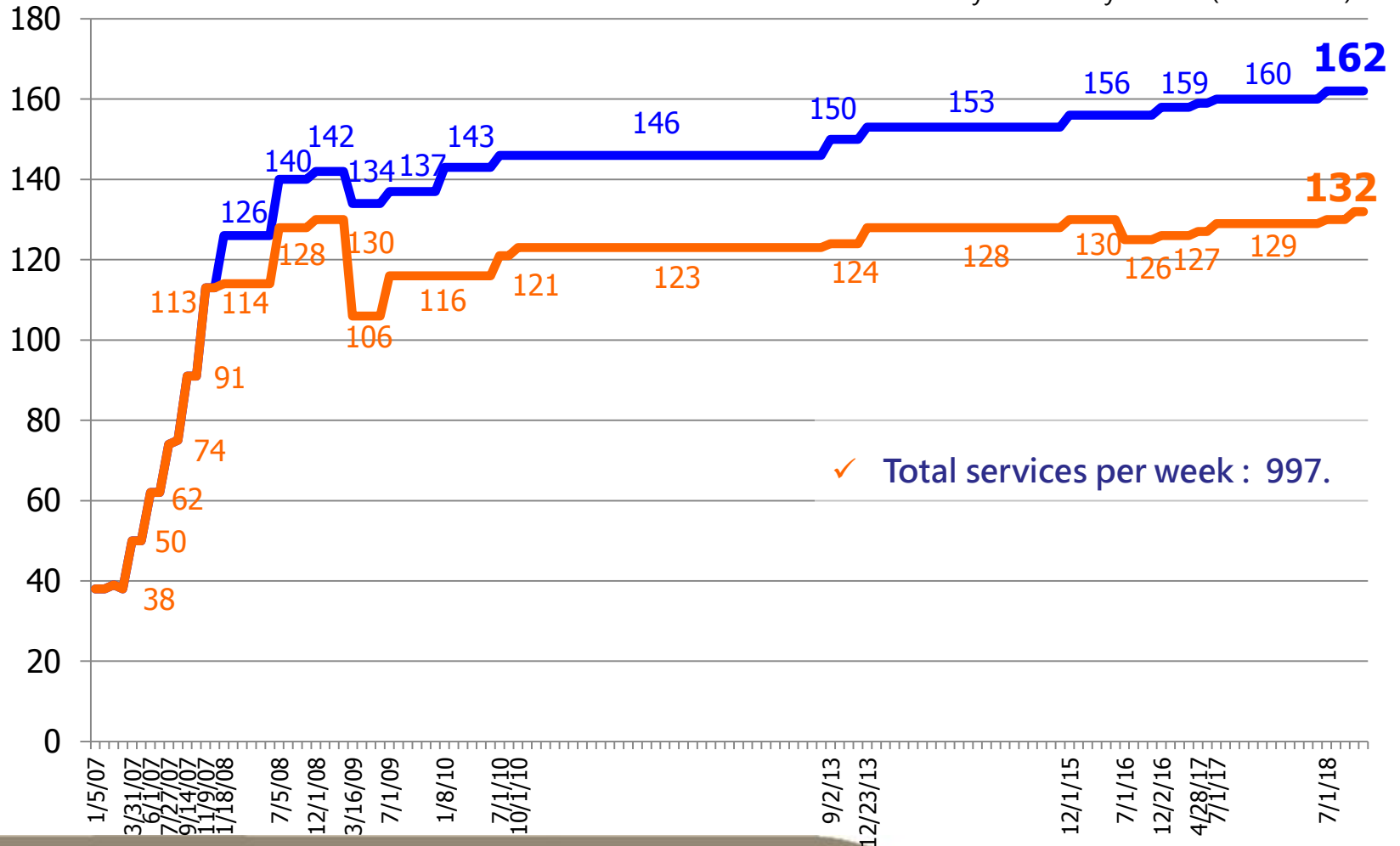
2. Operational Performance



1. Train Frequency

(Daily Frequency)

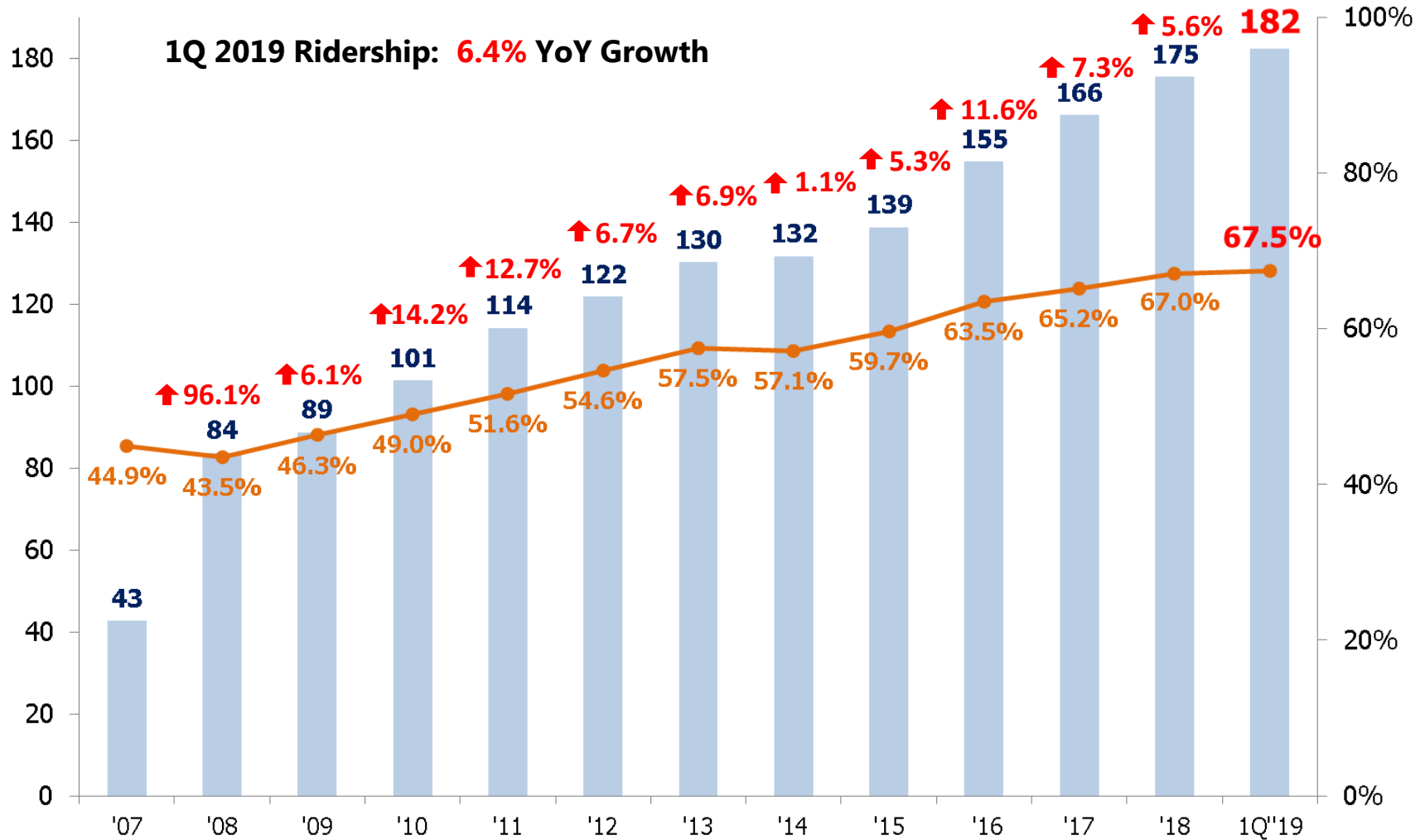
- Daily Two-Way Shifts (WEEKEND)
- Daily Two-Way Shifts (WEEKDAY)



2. Ridership & Loading Factor



('000/day)



3. Operational Performance



	2019.01.01 ~ 2019.3.31	2007.01.05 ~ 2019.3.31
Train Services	13,493	578,426
Cumulative Passengers (million passengers)	16.4	545.2
Passenger Kilometers (million-km)	2,984	105,373
Loading Factor	67.46%	55.56%
Reliability	100%	99.63%
Punctuality (delay < 5min)	99.96%	99.45%
Avg. Delay Time(min)	0.06 (vs JR Central: 0.7min @FY'17)	0.21
Accidents resulting in Liabilities	0	0



II 、 FINANCIALS 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 (2018 vs 2017)

(NT\$m)	2018		2017		Variance Amount	Var. %
Operating revenue	45,415	100%	43,435	100%	1,980	4.6%
Operating costs	(25,081)	-55%	(24,614)	-57%	(467)	1.9%
Gross Profit	20,334	45%	18,821	43%	1,513	8.0%
Operating expenses	(1,189)	-3%	(1,066)	-2%	(123)	11.5%
Net Operating Income	19,145	42%	17,755	41%	1,390	7.8%
Non-operating income and expenses						
Interest expenses	(6,618)	-14%	(7,463)	-17%	845	-11.3%
Stabilization reserve	(5,415)	-12%	(3,866)	-9%	(1,549)	40.1%
Others	200	0%	52	0%	148	284.6%
Net Income before tax	7,312	16%	6,479	15%	833	12.9%
Income tax benefit(expense)	3,385	7%	(1,139)	-3%	4,524	-397.2%
Net Income	10,696	23%	5,340	12%	5,356	100.3%
EPS	1.90		0.95			

1、Financial Performance



1. Income Statement (1Q2019 vs 1Q2018)

(NT\$m)	1Q 2019		1Q 2018		Variance Amount	Var. %
Operating revenue	11,762	100%	11,039	100%	723	6.5%
Operating costs	(6,228)	-53%	(6,004)	-54%	(224)	3.7%
Gross Profit	5,535	47%	5,035	46%	500	9.9%
Operating expenses	(278)	-2%	(265)	-3%	(13)	4.9%
Net Operating Income	5,257	45%	4,770	43%	487	10.2%
Non-operating income and expenses						
Interest expenses	(1,597)	-13%	(1,666)	-15%	69	-4.1%
Stabilization reserve	(1,548)	-13%	(1,164)	-10%	(384)	33.0%
Others	60	0%	69	0%	(9)	-13.0%
Net Income before tax	2,172	19%	2,010	18%	162	8.1%
Income tax benefit	116	3%	389	4%	(273)	-70.2%
Net Income	2,288	22%	2,399	22%	(111)	-4.6%
EPS	0.41		0.43			

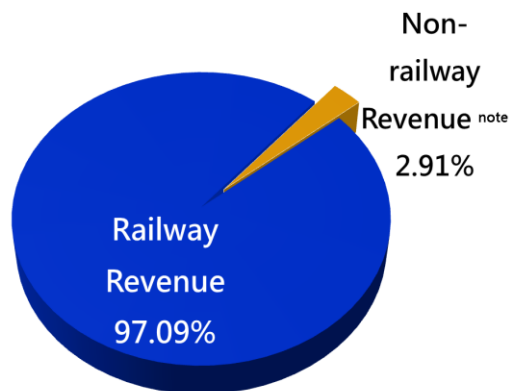


2. Net Profits & Operating Revenues

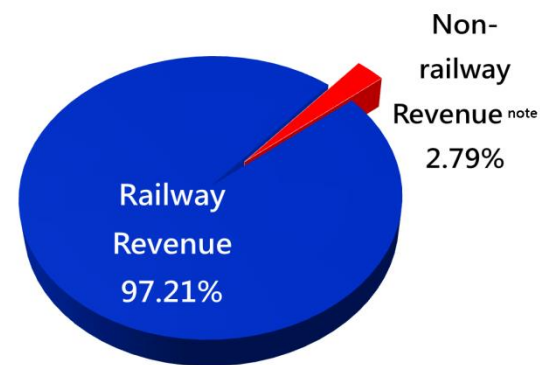
① Revenue Mix

(NT\$bn)	2018	2017	YoY
Railway revenue	44.1	42.2	+4.5%
Non-railway revenue	1.3	1.2	+9.1%
Total	45.4	43.4	+4.6%

2018 Revenue Mix



2017 Revenue Mix

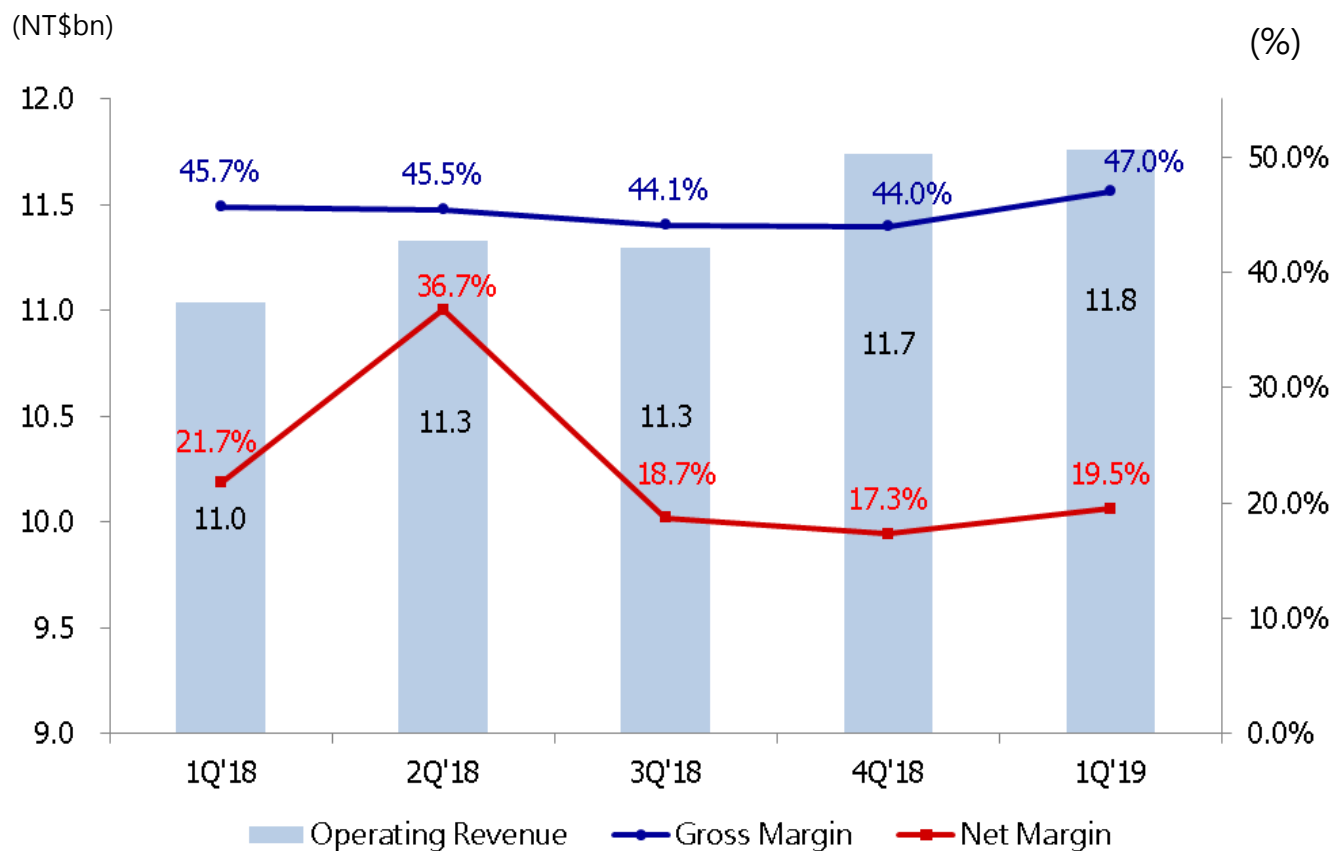


Note: Non-railway revenues mainly include rental incomes, advertising revenues, and onboard sales.

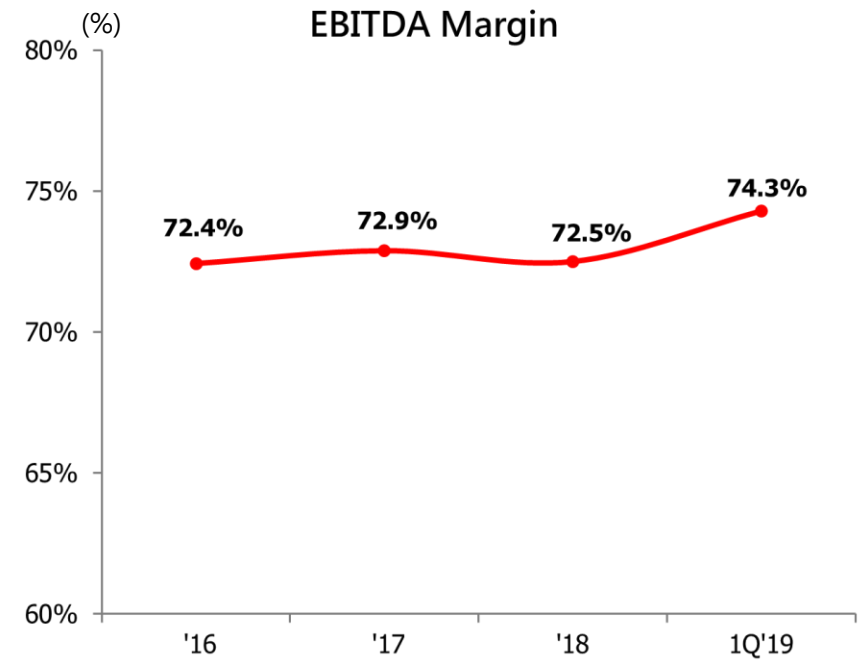
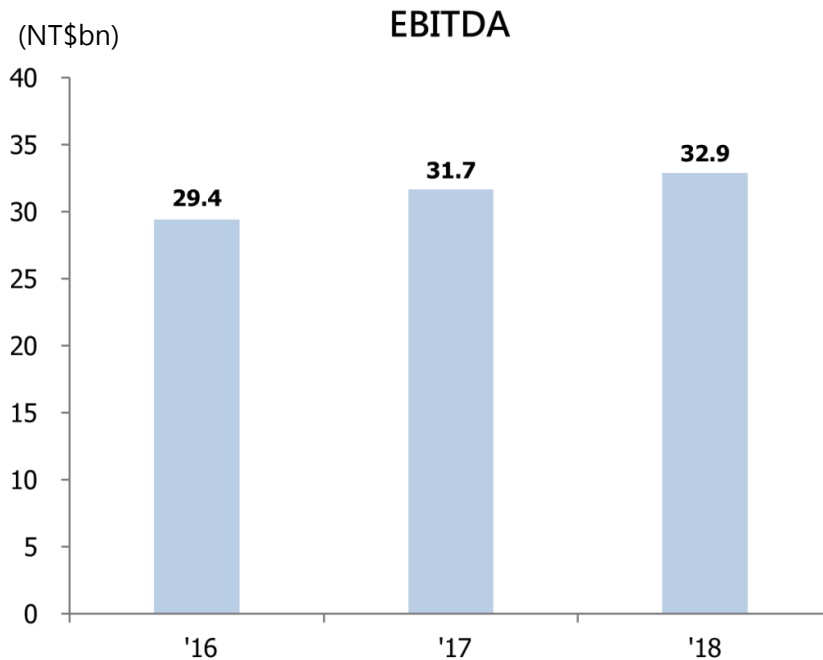


2. Net Profits & Operating Revenues

② Operating Revenue, Gross Margin and Net Margin



3. Operational Efficiency : EBITDA & EBITDA Margin



✓ EBITDA

- 2018: YoY +4.0%
- 5 Year('14~'18)CAGR : +2.6%

✓ EBITDA Margin

- '16~'18: 72%~73%



4. Balance Sheets

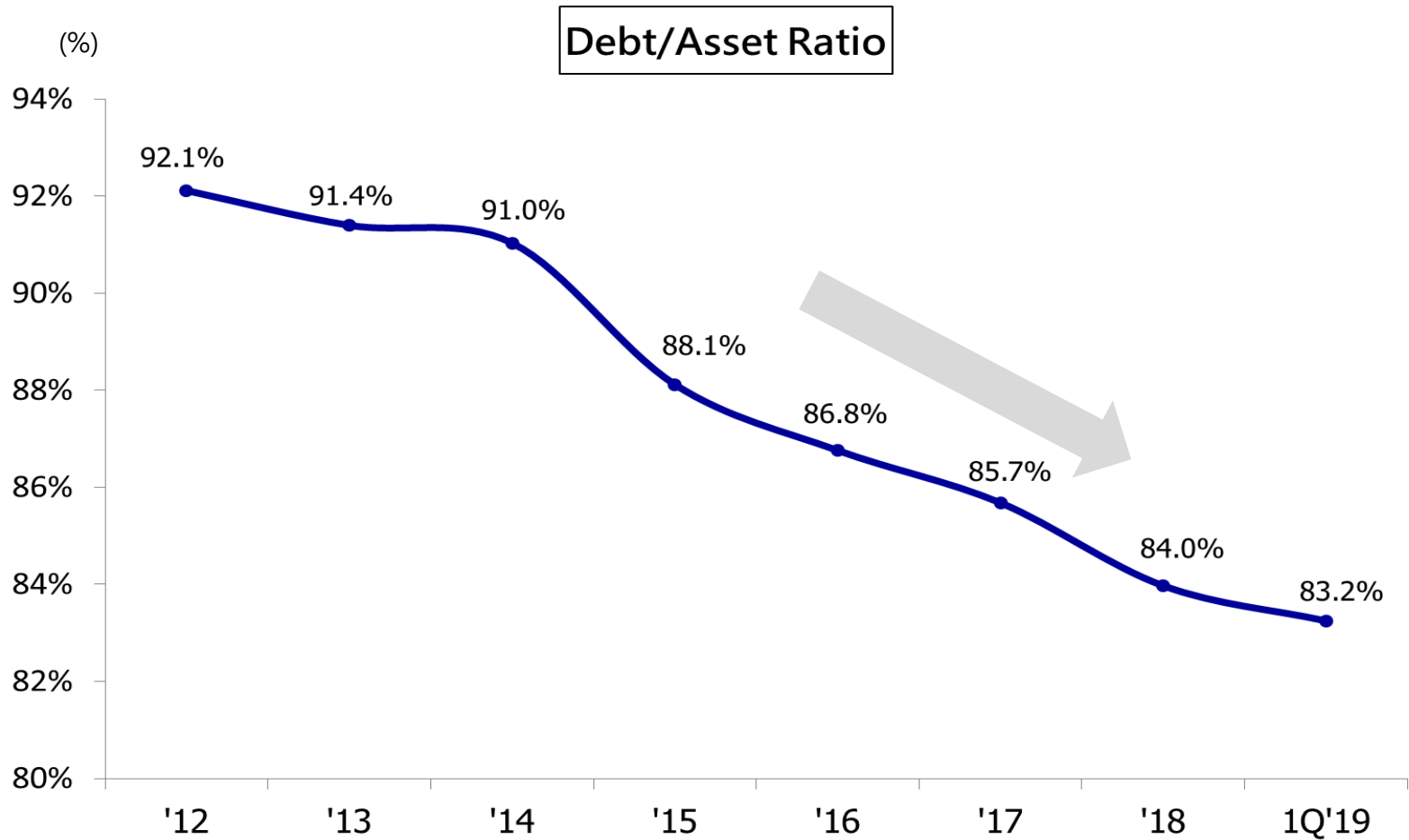
(NT\$mn)	2019.3.31	2018.12.31	2017.12.31
Current assets	21,003	22,797	20,091
Operating concession asset	398,302	401,169	413,166
Other non-current assets	9,986	9,092	6,803
Total assets	429,291	433,057	440,060
Current liabilities	5,497	13,814	6,549
non-current liabilities	352,093	18,821	13,904
Total liabilities	357,590	363,644	377,042
Common stock	56,283	56,283	56,283
Capital surplus	173	173	173
Retained earnings	15,245	12,957	6,562
Total equity	71,701	69,413	63,018
Total liabilities & equity	429,291	433,057	440,060



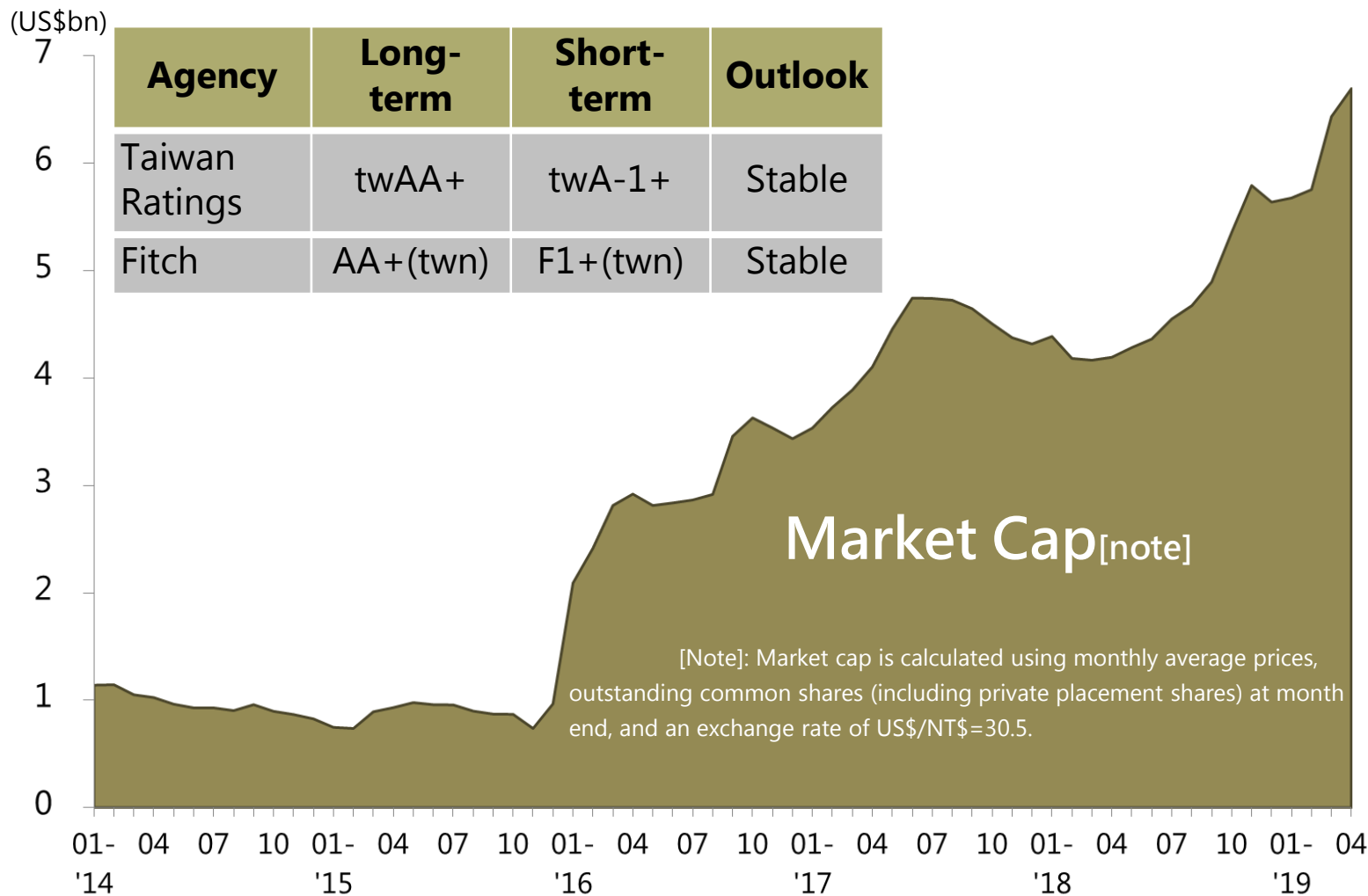
5. Statement of Cash Flows

(NT\$m)	1Q 2019	2018	2017
Cash & cash equivalents at the beginning of the period	6,948	7,188	237
Cash flows from operating activities	6,947	26,217	21,606
Cash flows from investing activities	(1,861)	(4,356)	13,878
Cash flows from financing activities	(8,037)	(22,101)	(28,534)
Net increase(decrease) in cash & cash equivalents	(2,951)	(240)	6,950
Cash & cash equivalents at the end of the period	3,997	6,948	7,188

2、Financial Risk Management



3. Corporate Credit Ratings & Market Cap



4. Recent Major Events and Activities



Date	Events
2019.02	<ul style="list-style-type: none">✓ In order to adhere with the government's policy of "Assist Railway Industry and Develop Local Supplier Technical Capabilities," THSRC signed a new generation of intelligent "Passenger Information System" with local supplier.
2019.04	<ul style="list-style-type: none">✓ During the 2019, THSRC provided a total of 1,045 train services during the 6 days of Tomb Sweeping Day holiday. On April 7, even set a historical high record of 300,500 passengers for a single day, since the commercial operation of THSRC.✓ THSRC is selected and listed in the FTSE4GOOD TIP Taiwan ESG Index for the second times.✓ Taiwan Stock Exchange announced and awarded THSRC with a "Top 5% of the Corporate Governance Evaluation Award", for the second consecutive years.



III、MARKET OVERVIEW

1. Inter-city Transportation
2. Domestic Tourism Market

高鐵假期



，國民
高鐵路
假期遊
卡

了解更多

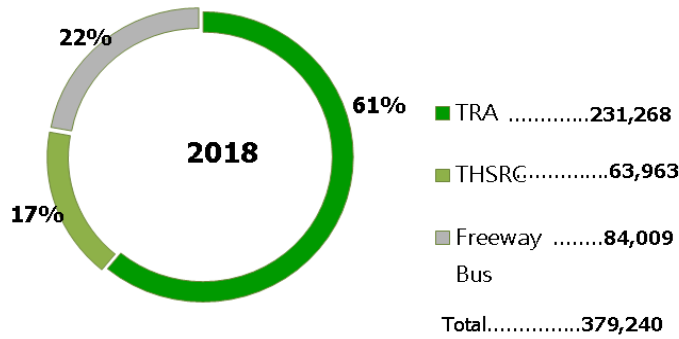
車票+住宿+接駁一站購足，
平日出發輕鬆度假去！

1、Inter-city Transportation



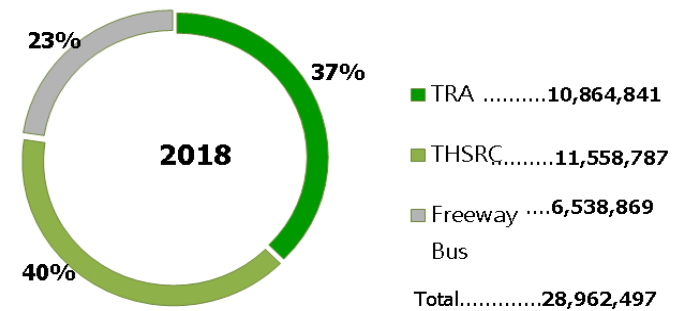
Passenger('000)

Passenger Proportion

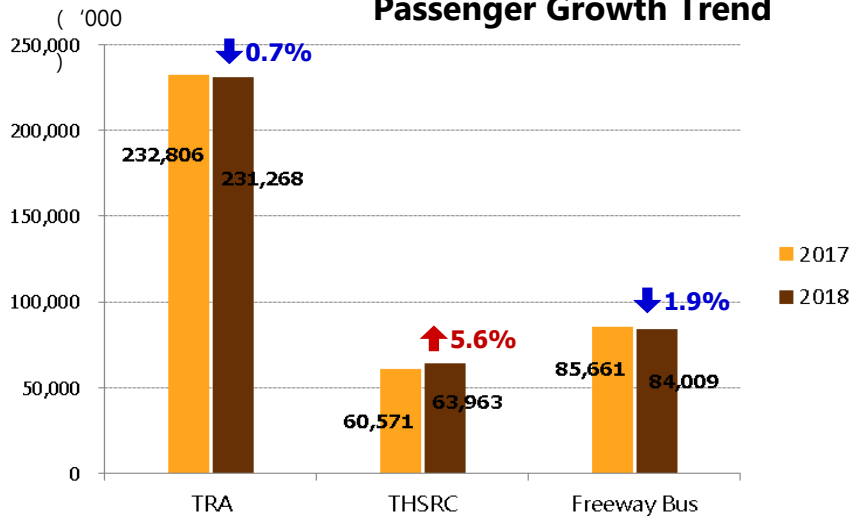


Passenger-km('000-km)

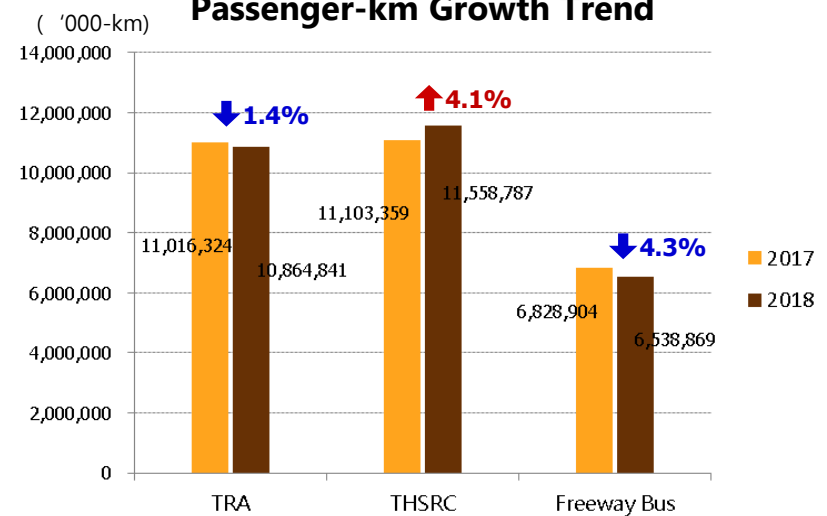
Passenger-km Proportion



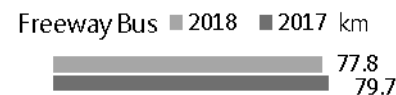
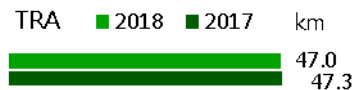
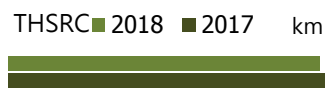
Passenger Growth Trend



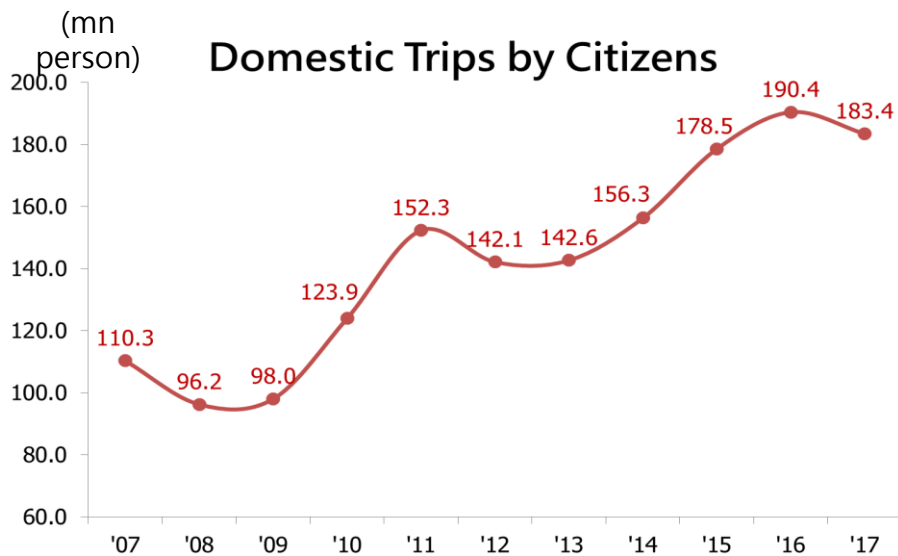
Passenger-km Growth Trend



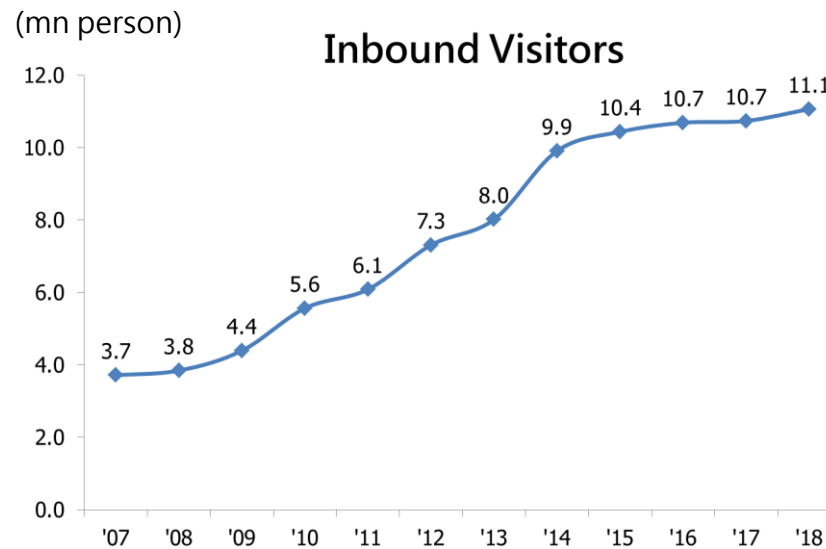
Avg. passenger distance



2. Domestic Tourism Market



- ('13~'17) 5 Year CAGR: +5.2%
- 2017 Growth Rate (YoY): -3.6%



- 5 Year ('14~'18) CAGR: +2.2%
- 2018 Growth Rate (YoY): +3.0%

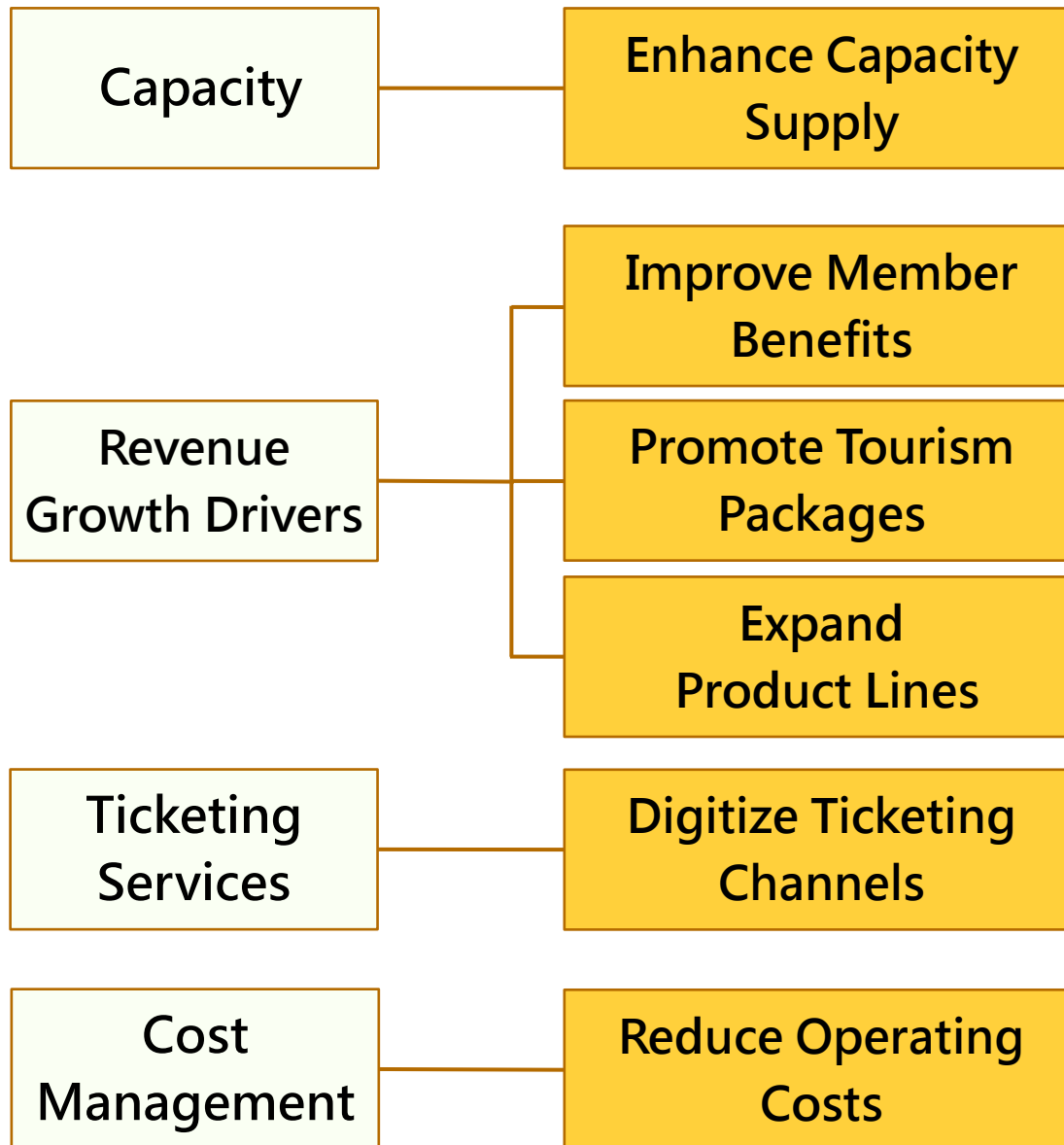
Source : Tourism Bureau, MoTC



IV 、 PROSPECTS



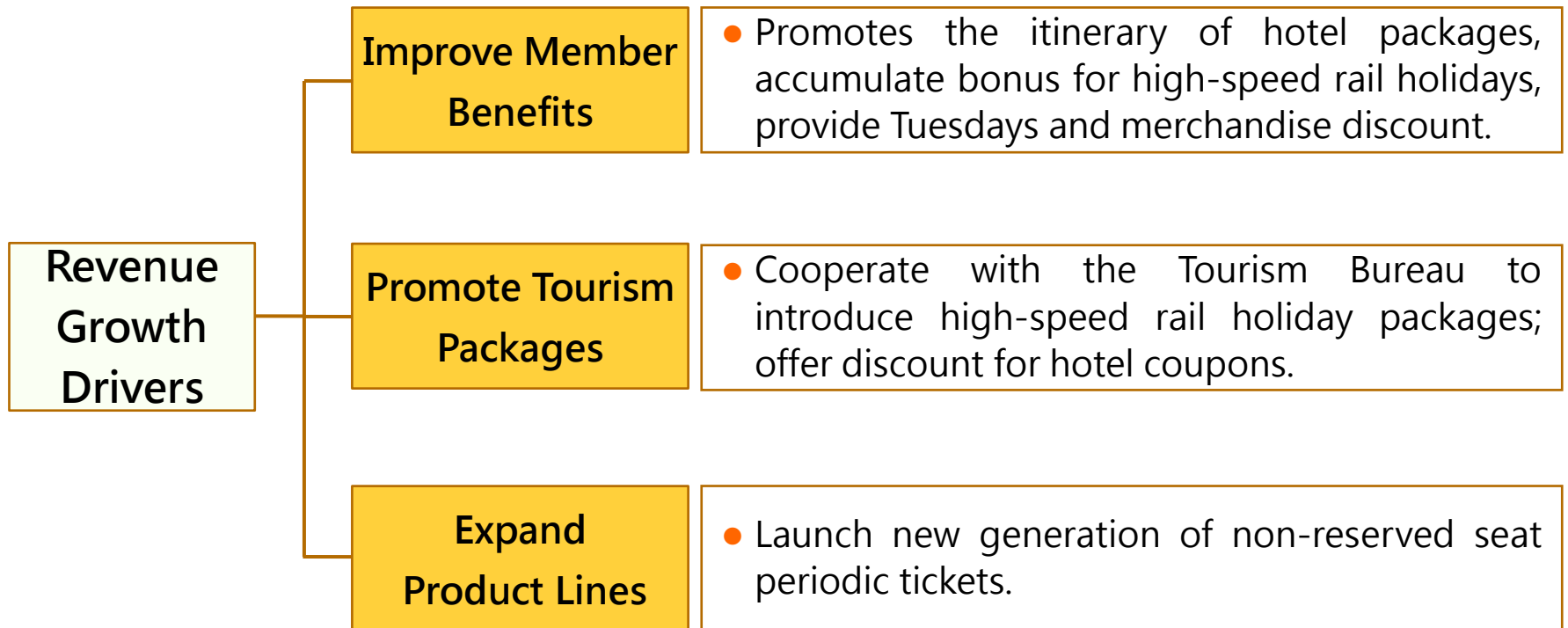
IV. Prospects



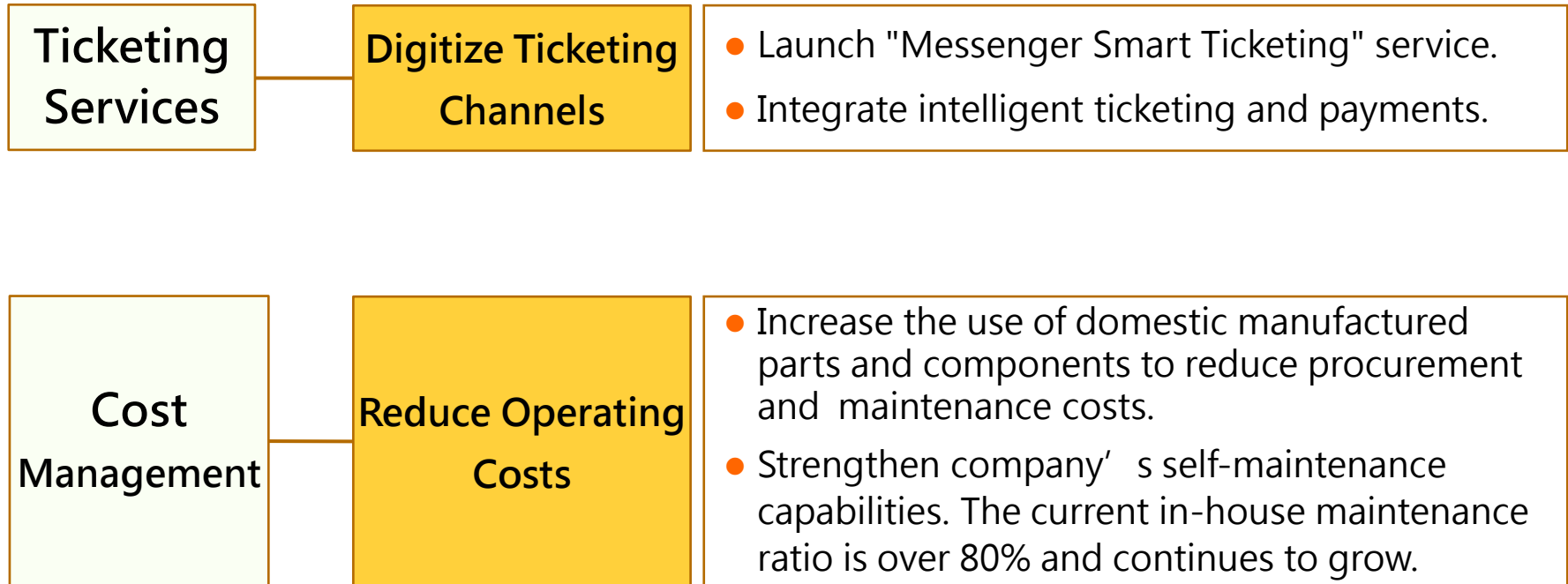
IV. Prospects



IV. Prospects



IV. Prospects



Conclusion



Vision : To be the platform for advancement and enjoyment.

Integrate technology into services and create 4T smart and convenient new life

THSRC strives to be a top ten Taiwanese brand

Intelligent

Smart Transportation
Safe Ride

T
ransportation

Innovative

Inventive Technology
Low Carbon Industry

T
echnology

**Localized
in**

Material Localization
Travel in Taiwan

T
aiwan

**Sustained
Social Care**

Continuous Public Care
Create Company Value

T
ouch



<http://www.thsrc.com.tw>

