

Stark Technology Inc.(2480)

2021Q1 Investor Conference



Stark Technology Inc.

敦陽科技股份有限公司

Safe Harbor Notice

There are variety of factors which may influence statements or contents been drafted within this presentation, therefore we strongly recommend audience to refer to the information published on MOPS website in case any adjustment has been made.

STI General Information

- **Founded in 1993, public traded in 2001**
- **517+ Employees**
- **The largest domestic system integrator in Taiwan**
- **One of Taiwan's top 500 service enterprises company.**
- **Dedication to service and maintain 1,600+ majority of the 2,000+ company enterprise business**
- **Providing more than 40 products & solutions to service our customers**
- **Our vision is to assist our customers to become a Information Service Provider**

Corporate Governance Evaluation

- Rated as Taiwan's top 6⁰% - 20% company over the 7th Corporate Governance Evaluation
- 2020/07 Included in the "Corporate Governance 100 Index"

Year	Announce Results	STI Percentage	
2014(1 st .)	The top 20%	6%-20%	
2015(2 nd .)	The top 50%	6%-20%	
2016(3 rd .)	100%	6%-20%	
2017(4 th .)	100%	6%-20%	
2018(5 th .)	100%	6%-20%	
2019(6 th .)	100%	6%-20%	
2020(7 th .)	100%	6%-20%	Note: The evaluation results of the market value of more than 5 billion to 10 billion (NTD\$) are listed as 6%~10%

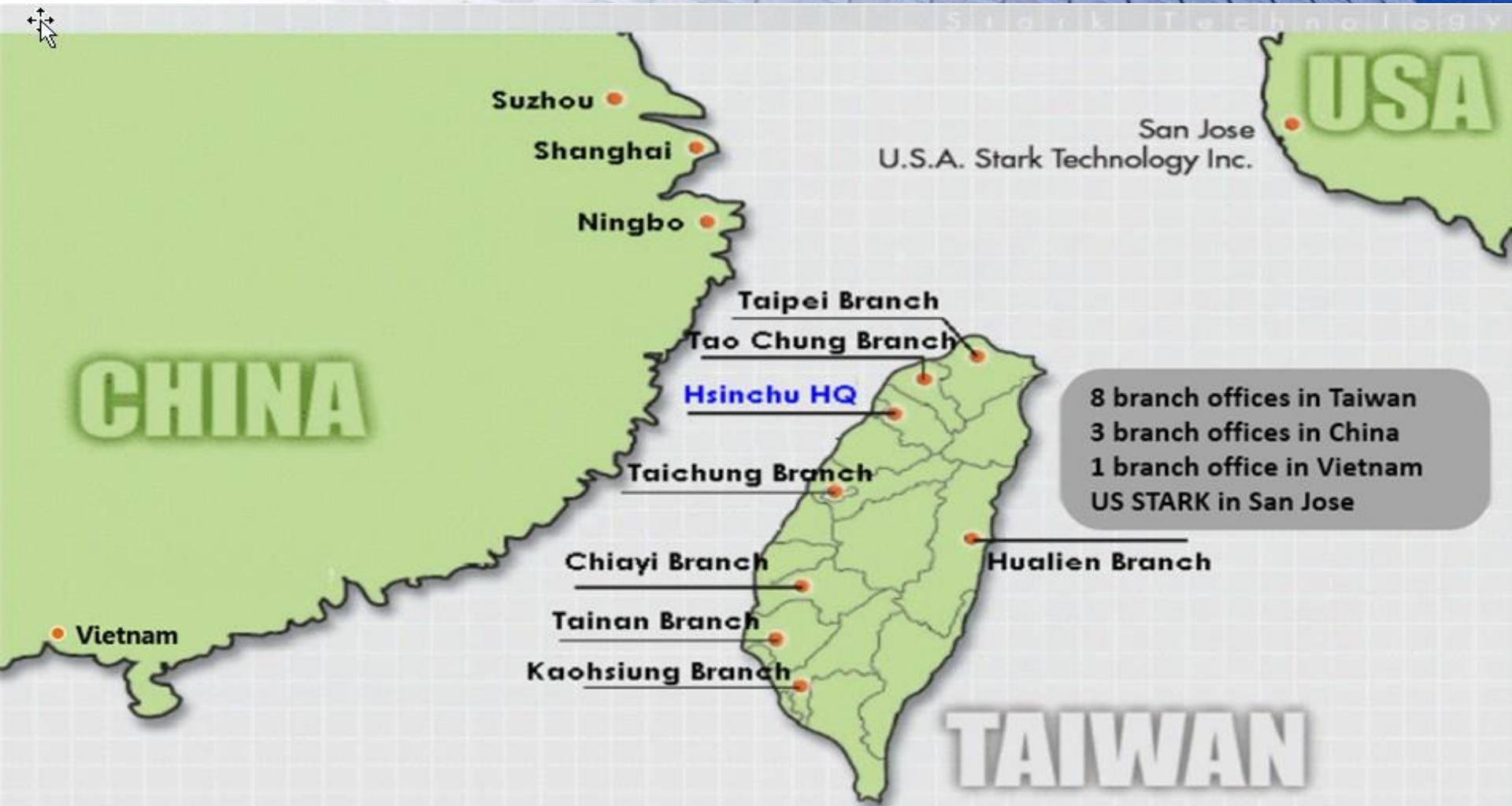
Awards

- **2020/10 Won the two awards of "2020 Executive Performance Evaluation" and "2020 Best Partner" by Far EasTone Telecom**
- **2019 Best Supplier of Taiwan Mobile and 2020 Best Supplier of Fubon Financial**
- **Fortinet _2019 Self-improvement Award**
- **Hitachi Vantara_FY19 Top Reseller of the Year**
- **VMware_2020 Highest Growth Partner Award**
- **HPE_FY20 Top Reseller of the Year**
- **Cisco_FY20 Rising Star Award**
- **Fujitsu_Best Select Partner of the Year 2019**
- **Lenovo_2020 Best Solution Sales Award**

Awards(Continued)

- **IBM_2020 Best LinuxOne Breakout Award**
- **NetApp_FY20 Best partner Award**
- **HPE FY20 Best partner Award**
- **DELL_2020 Highest Growth Partner Award**
- **Palo Alto_FY21 Top Performer in Driving Business Growth**
- **VEEAM_FY20 Gold Partner of the Year Award**
- **Nutanix_FY20 Best Market Opportunity Development Award**
- **Fortinet_2020 Outstanding Regional Distribution Partner Award**

STI Service Network



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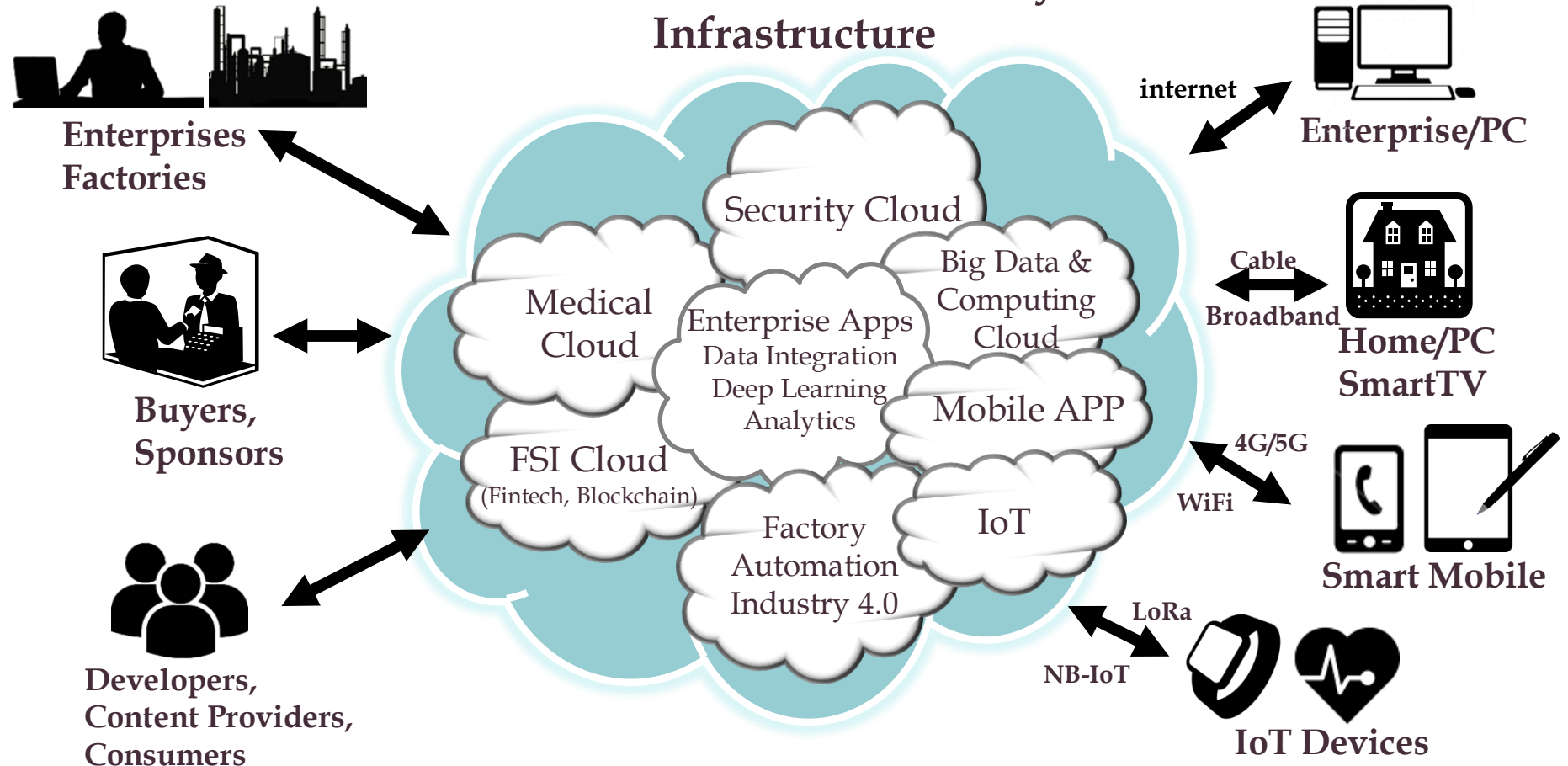
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Sales Operation – by Industries

Sales BU	Industry / Product / Region
BU1	IBM products, High-tech industries, E-commerce, Finance, and Automobiles, the main area in Hsinchu and middle Taiwan.
BU2	High-tech manufacturing, Defense, Military, and Traditional production, Education, the main area in Hsinchu 、Taoyuan and South Taiwan
BU6	Finance, insurance, telecommunications, small and medium enterprises, manufacturing in Taipei The public sector including government, medical care, and education. The main area in Taipei and East Taiwan
BU8	Private telecommunications, film and television media, energy, water and electricity, the main area in Taipei
BU9	Chunghwa Telecom

We've been worked and working on:

Cloud Services & Data Analytics Infrastructure



Inter-connect : Telecomm 、 Broadband/Cable 、 Internet

Multi-Screens : PC 、 NB/Pad 、 Smartphone 、 SmartTV



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Information Technologies

Professional Services

- Consulting
- Design
- Deployment
- Integration

Portal *Personalization Content Mgmt Single sign-on*

Enterprise Apps
ERP, CRM, SCM
MES, PLM

OSS, VAS
Probe/CEM

eCommerce
High Freq. Trade
by Trade
AML

Vertical Apps.

IoT
(Environmental Monitoring)

MFG

Telco

FSI

Travel

Medical

Gov't

EAI@SOA *Middleware Data Integration@BI*

Data Mgmt.

Security

System & Platform Resource Mgmt (CPU/GPU/VM/Container/Bare Metal)

Networking Platform Load Balancing Network Mgmt

AI(Machine 、 Deep Learning)

Data Science

Training

Modeling

Inference

Who? : End users

Who? : Auto ML

- . Rapid ML/DL modeling,
- . Manpower constraint

Who? : AI Engineer

- . Process customization
- . ML/DL inference deployment

STI : ML, DL computing hardware/software framework integration

3rd party alliance : Industrial domain consultant, Semi-auto. Tool vendor

AI Solution Consultant

- ✓ Stack holder lead project
- ✓ End-to-end solution planning
- ✓ DL@GPU
- ✓ Tech. staff training



工業技術研究院
Industrial Technology
Research Institute



Auto ML

- ✓ IT lead project
- ✓ Manpower constraint
- ✓ Time to deployment
- ✓ min. data input, max.
- ✓ Workload@CPU or @GPU



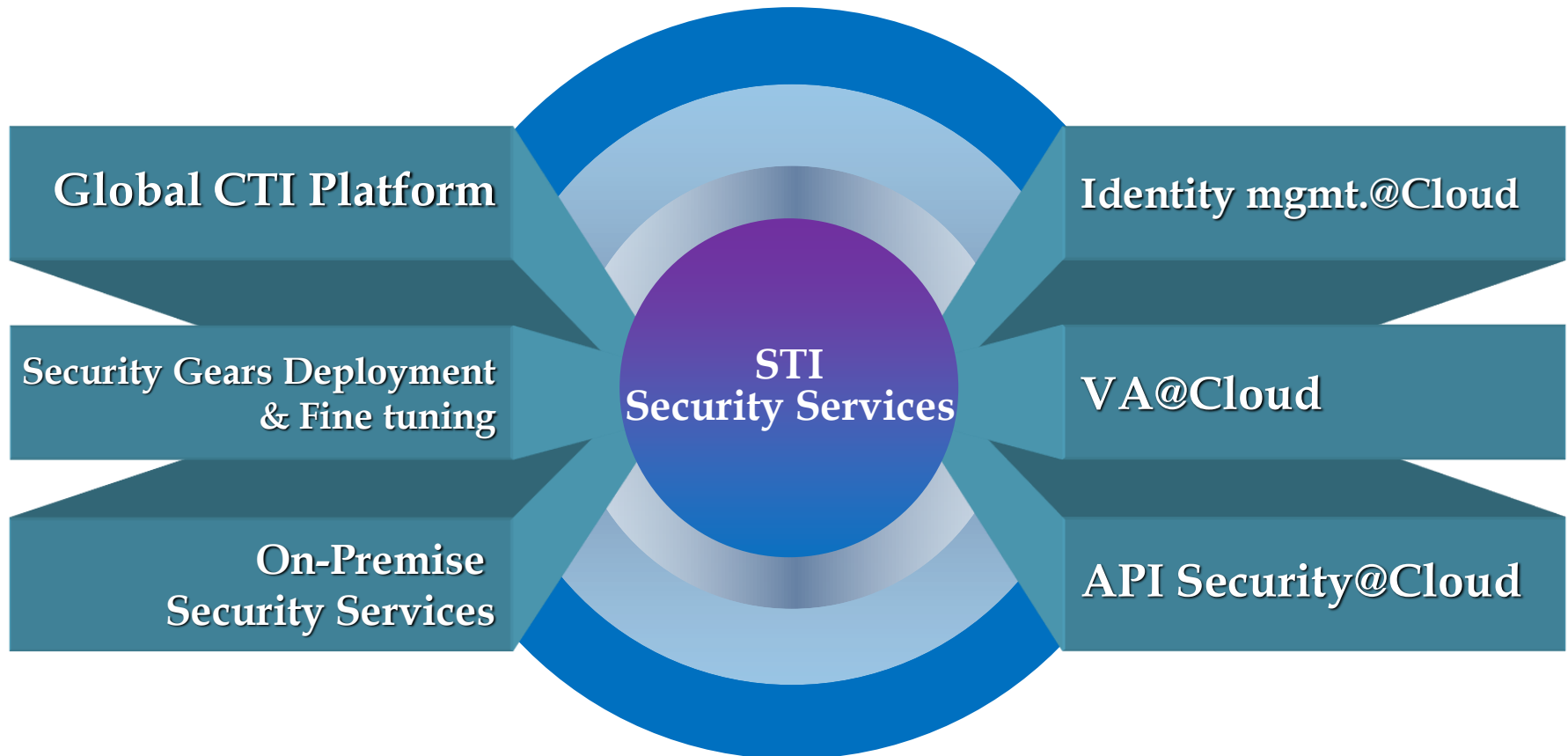
探智立方
Intelligence Qubic



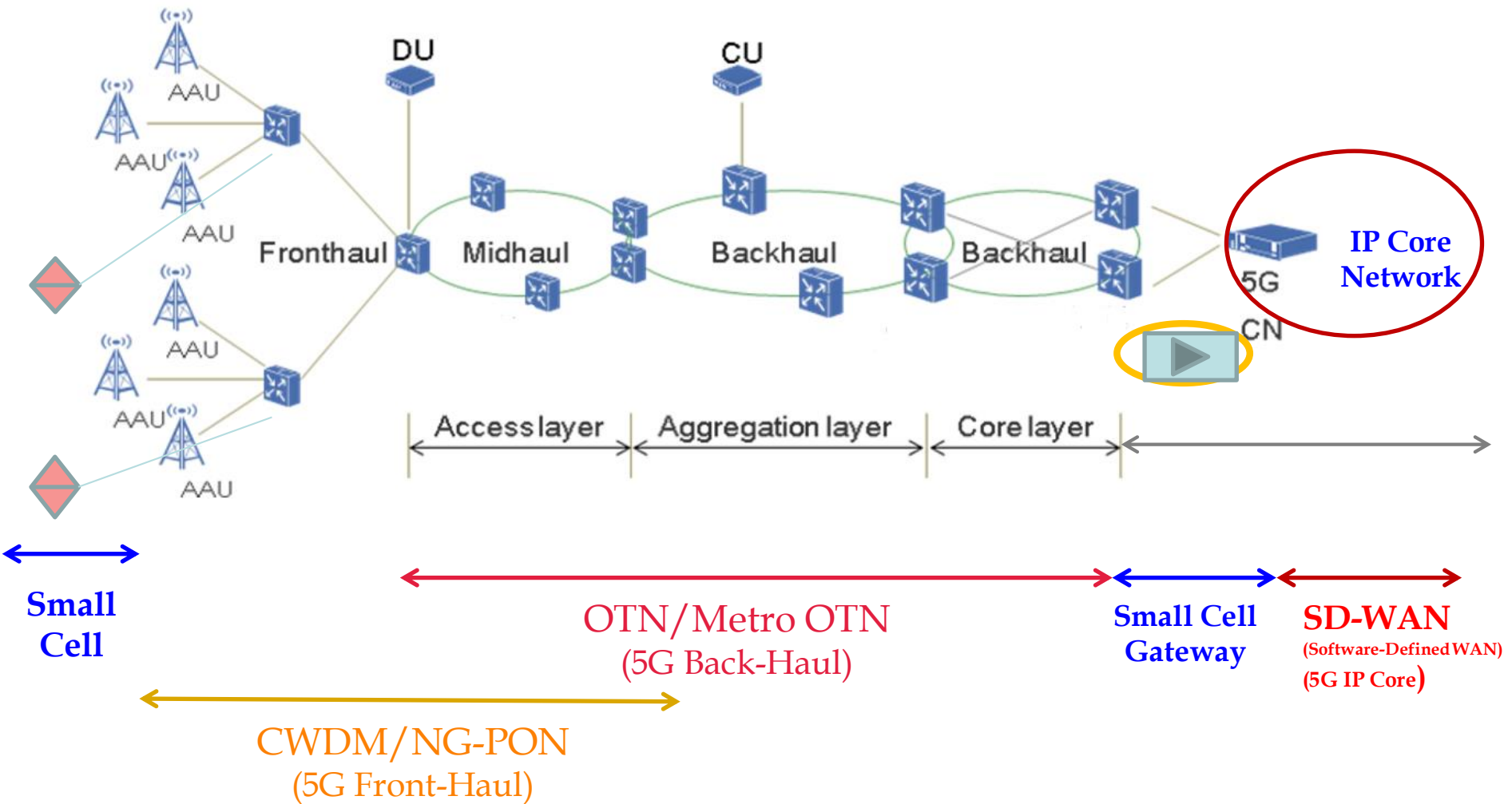
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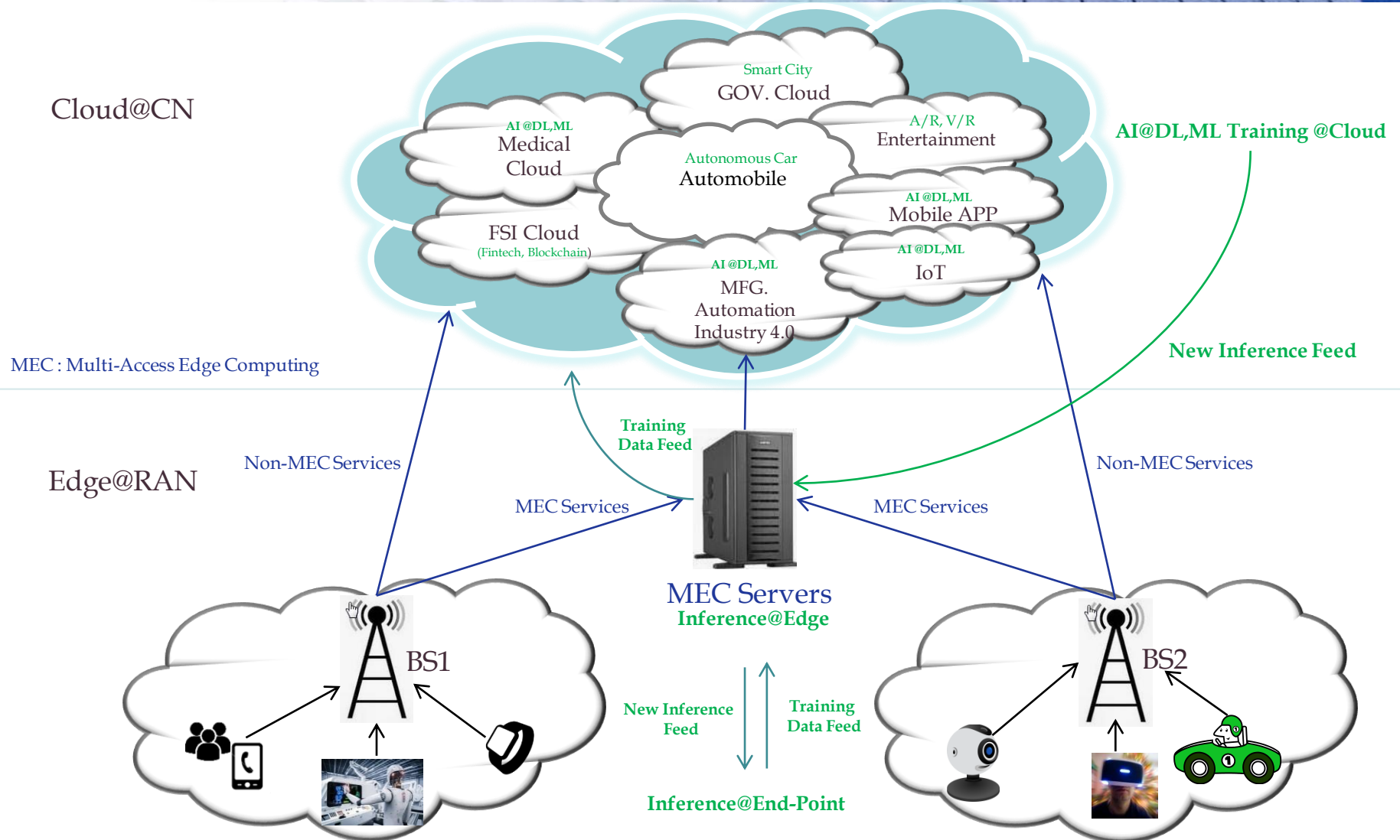
Managed Security Service Provider(MSSP)



Tel-Communication Technologies (5G)



Meet up 5G + MEC@AI@Cloud



Products & Solutions

Info. Security



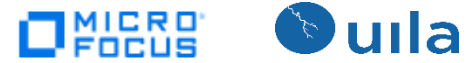
Data Comm.



Software Development Tools



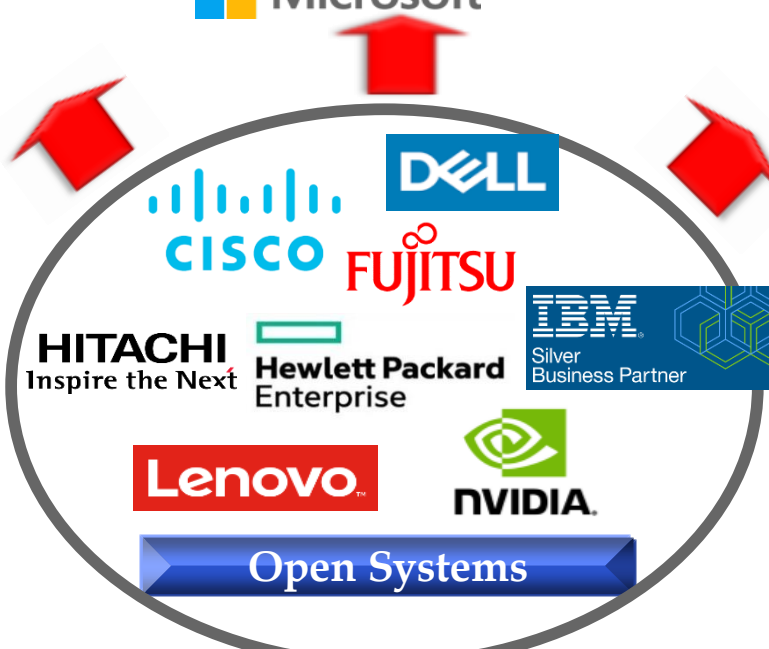
Resource MGMT.



Data MGMT.



Telcomm.



Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

	2021/3/31		2020/12/31		2020/3/31	
Item	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,331,897	24%	1,348,404	24%	1,534,311	30%
Accounts receivable(including contract assets)	889,614	15%	1,108,125	20%	817,203	16%
Inventories	2,116,373	37%	1,957,859	34%	1,454,592	29%
Property,Plant and equipment	450,452	8%	453,651	8%	450,891	9%
Total Assets	5,694,378	100%	5,743,047	100%	5,064,187	100%
Current Liabilities	3,070,432	54%	2,807,884	49%	2,505,671	50%
Total Liabilities	3,176,244	56%	2,914,035	51%	2,610,466	52%
Equity	2,518,134	44%	2,829,012	49%	2,453,721	48%

Source: Market Observation Post System

Income Statements Overview (Consolidated)

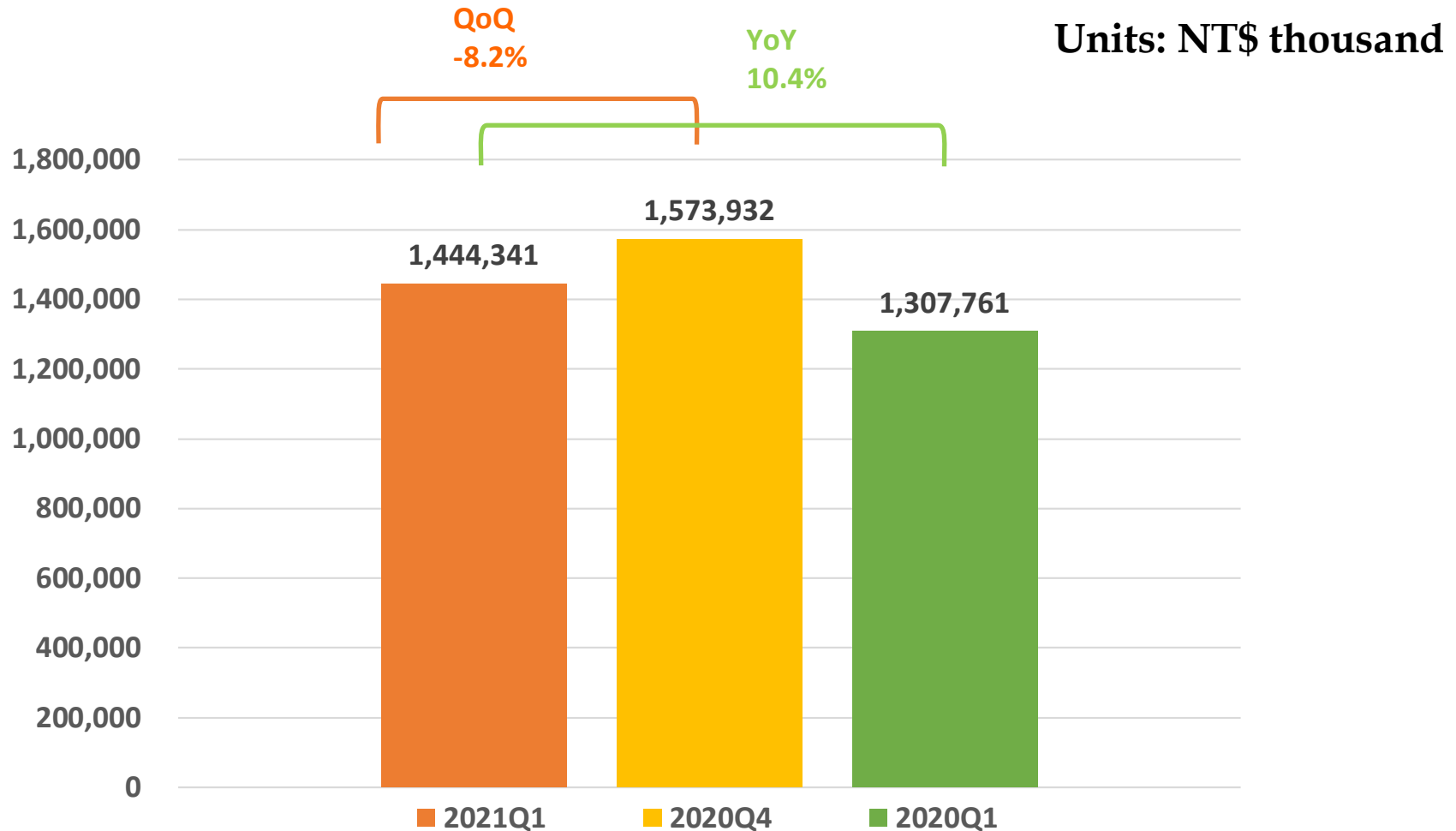
Units: NT\$ thousand

	2021 Jan.-Mar.		2020 Jan.-Mar.		
Item	AMT	%	AMT	%	YOY
Revenues	1,444,341	100%	1,307,761	100%	10.4%
Gross profit	372,146	26%	332,841	26%	11.8%
Operating expense	197,323	14%	177,141	14%	11.4%
Operating income	174,823	12%	155,700	12%	12.3%
Other income	5,850	1%	10,885	1%	-46.3%
Pre-tax income	180,673	13%	166,585	13%	8.5%
Net income	143,794	10%	130,140	10%	10.5%
EPS(NT\$)	1.35		1.22		10.7%

Source: Market Observation Post System

Note: China subsidiary's revenue of consolidated: 2021Q1 3.39%; 2020Q1 5.23%

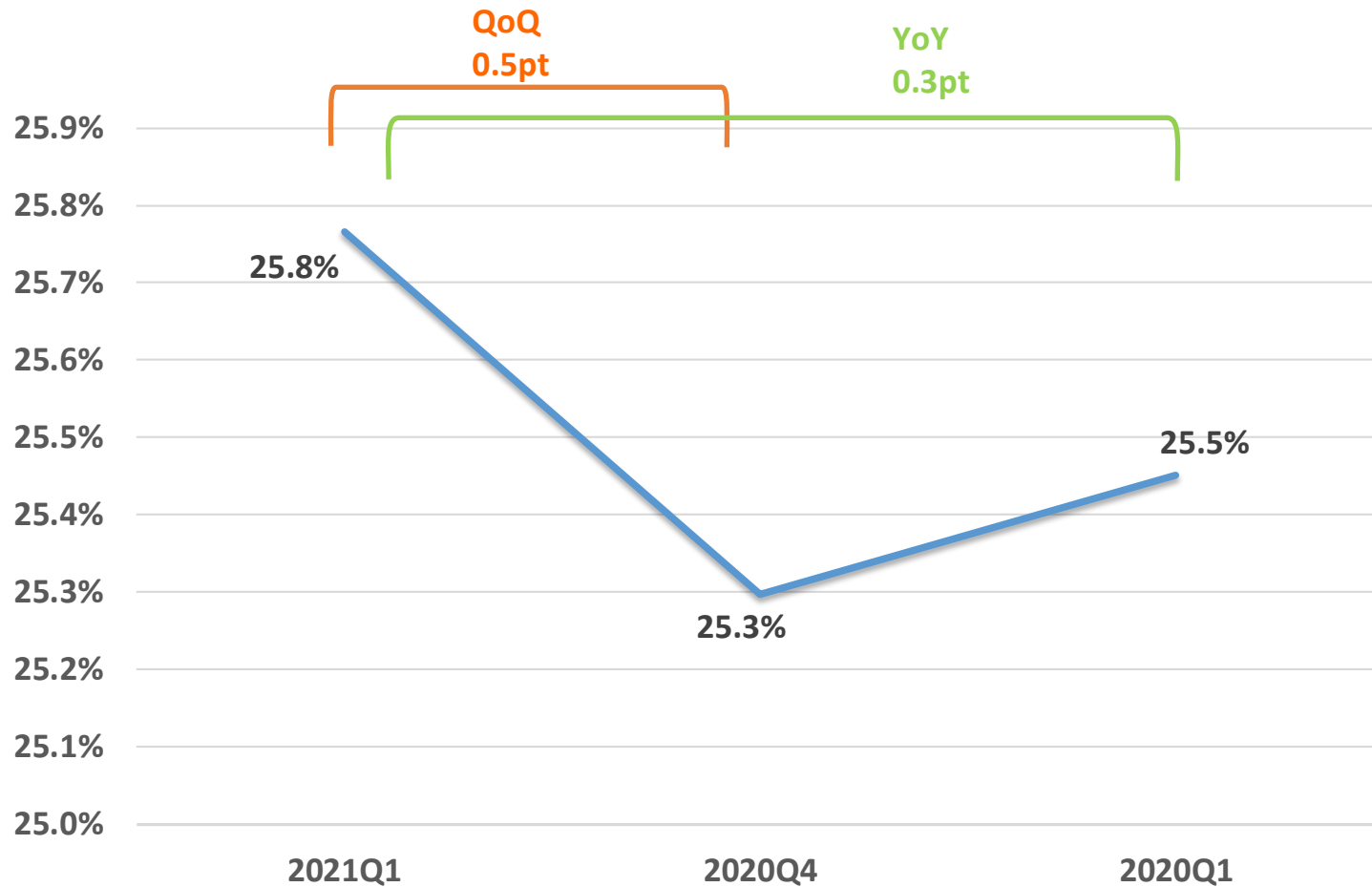
Consolidated Revenues



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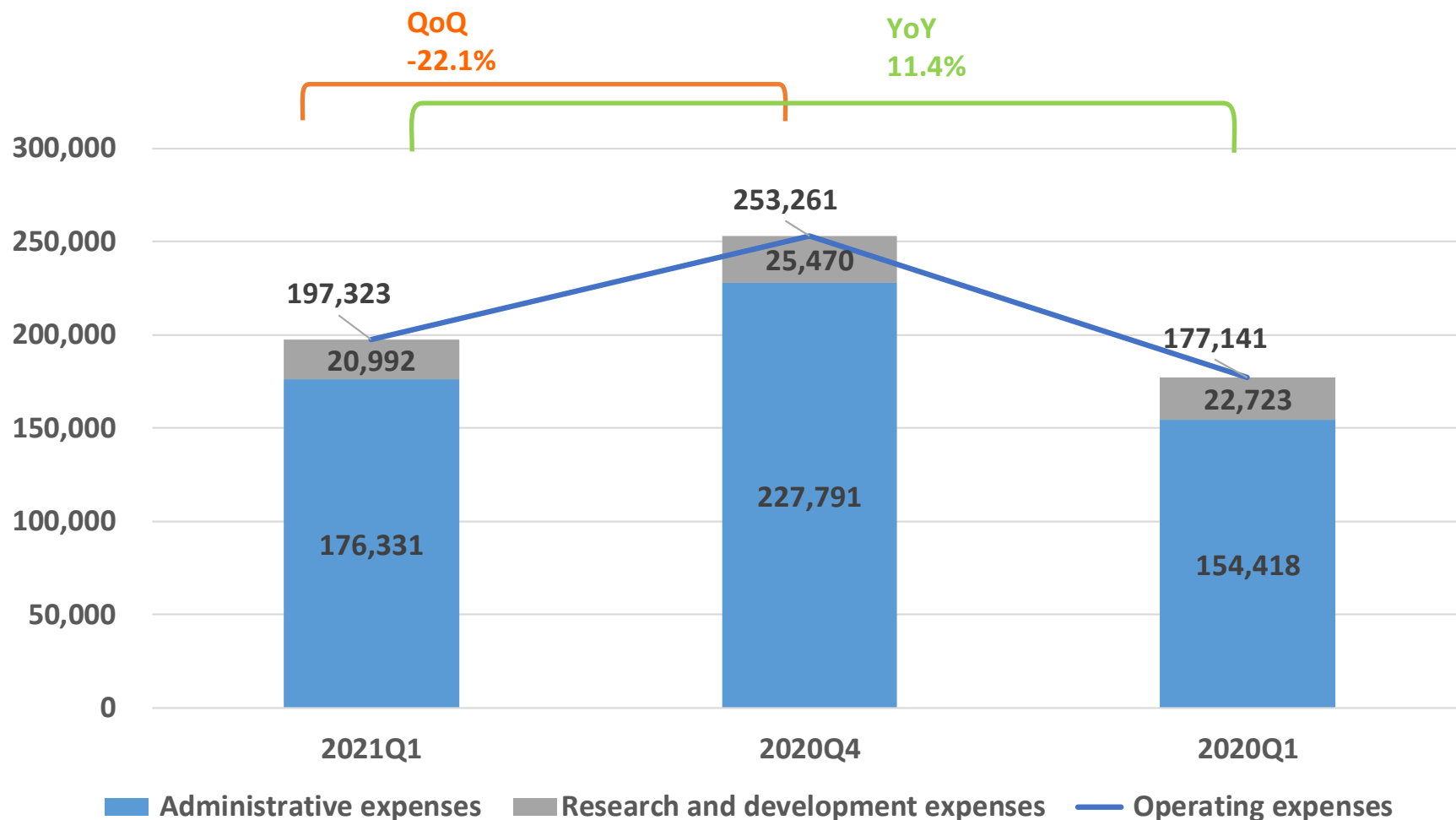
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Consolidated Gross profit%



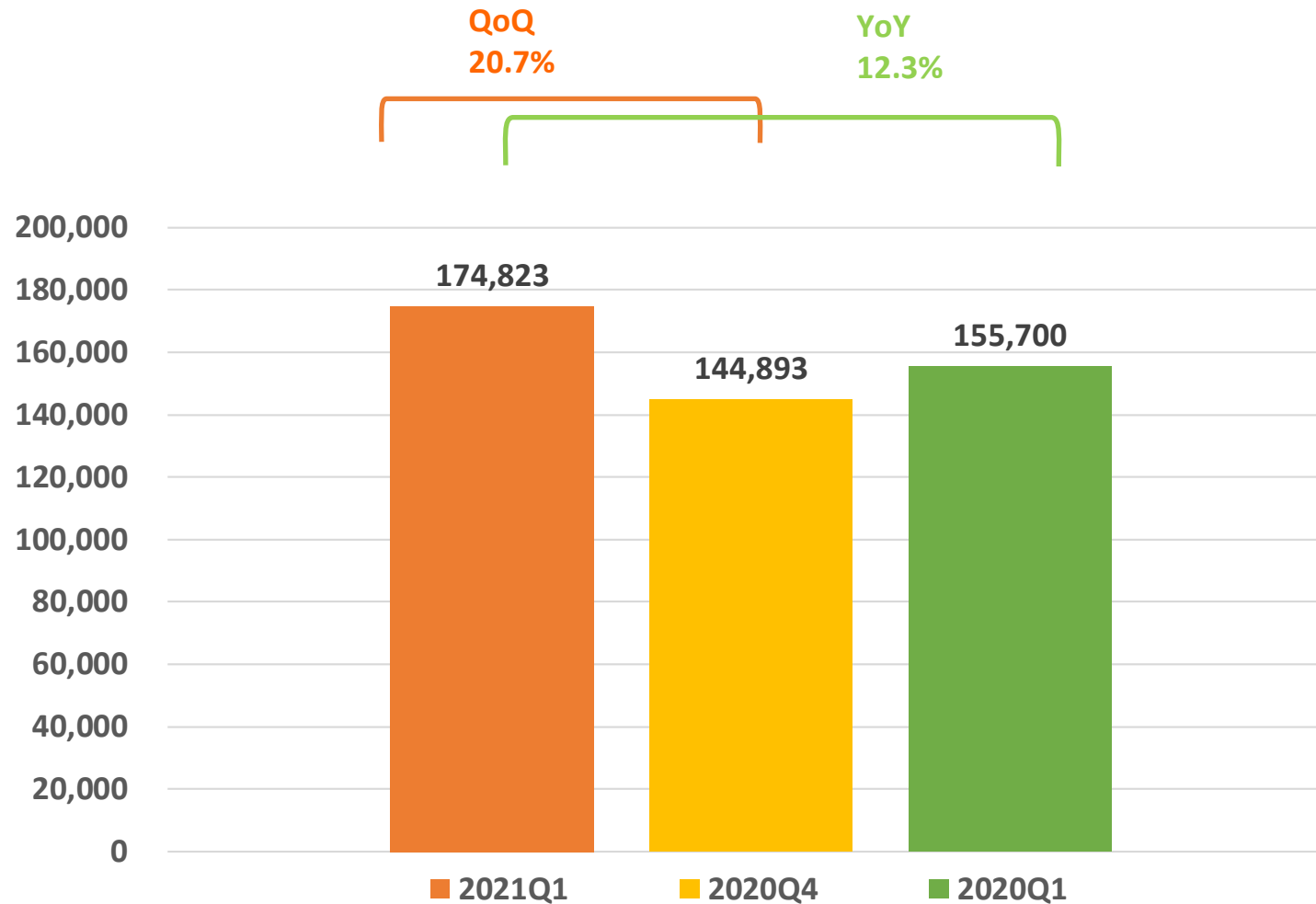
Consolidated Operating expenses

Units: NT\$ thousand

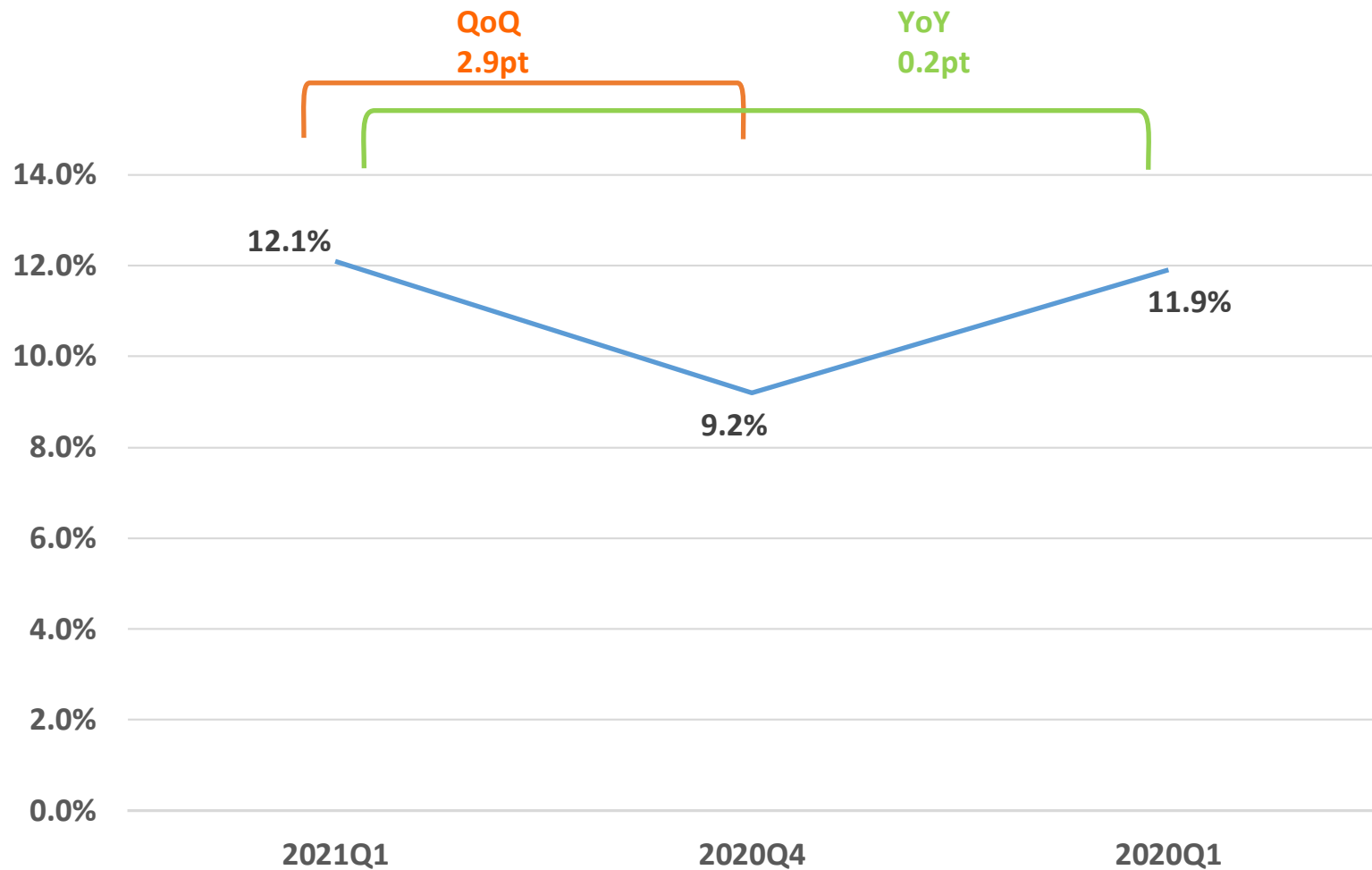


Consolidated Operating income

Units: NT\$ thousand

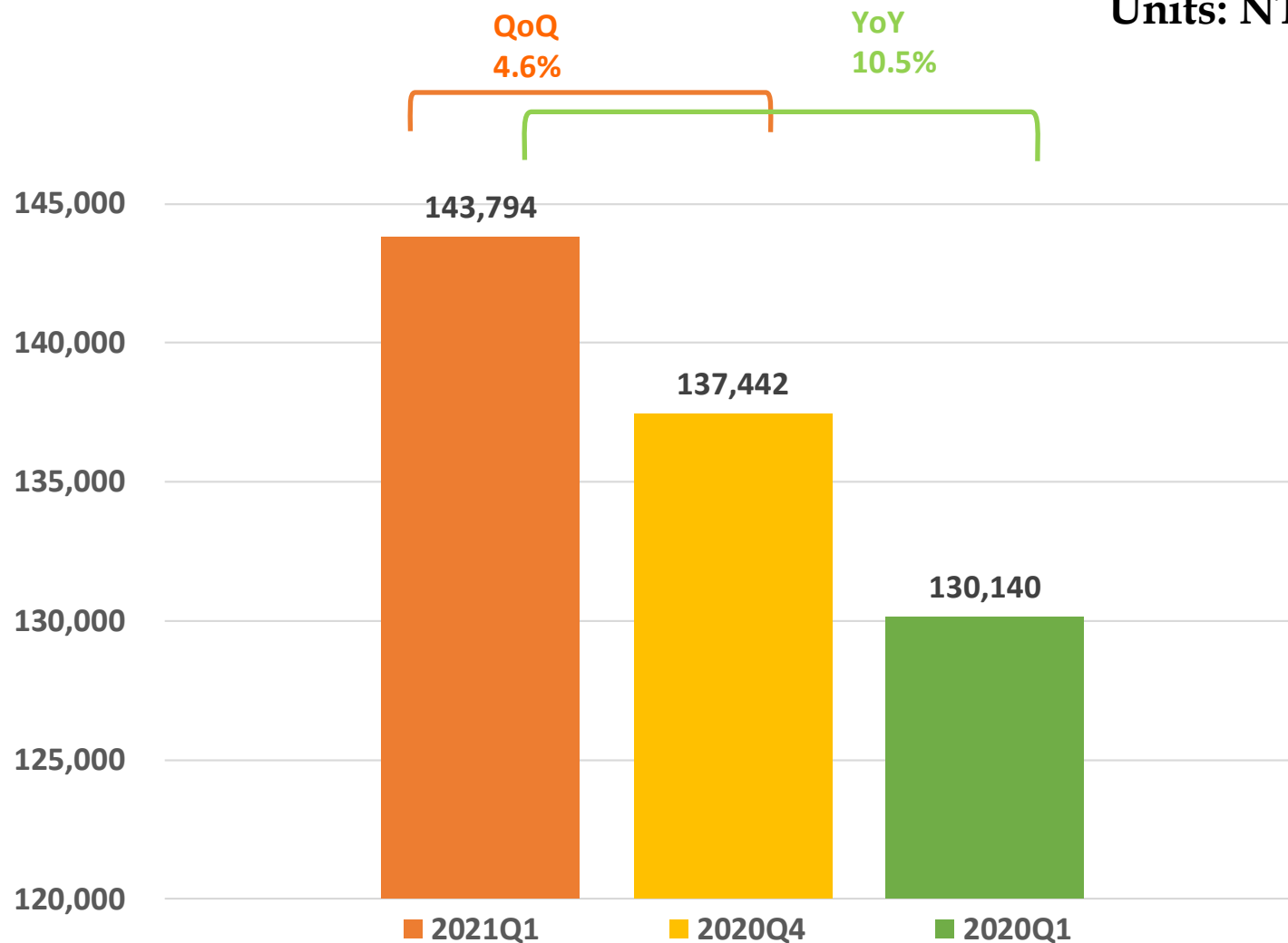


Consolidated Operating income⁰%

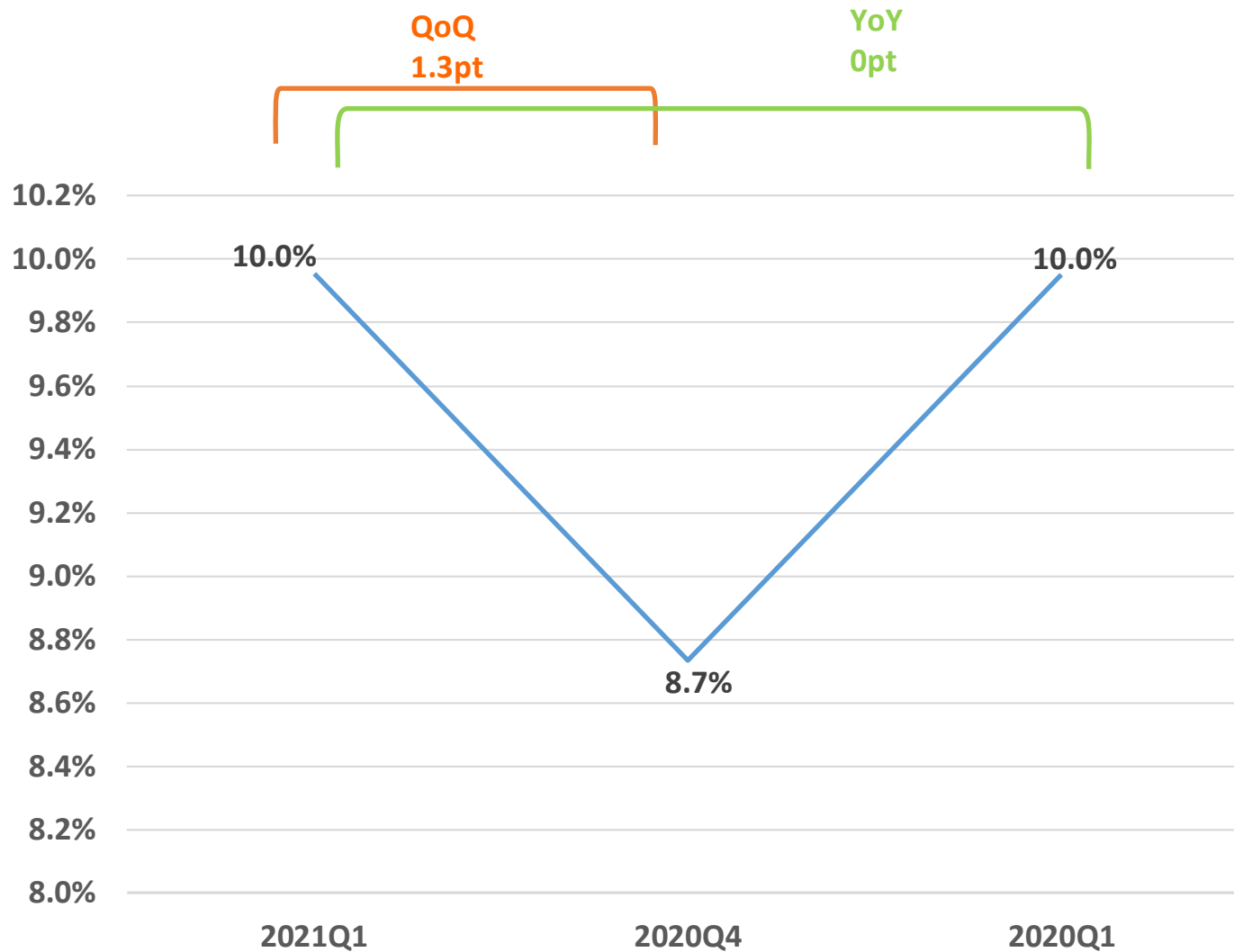


Consolidated Net income

Units: NT\$ thousand



Consolidated Net income⁰%

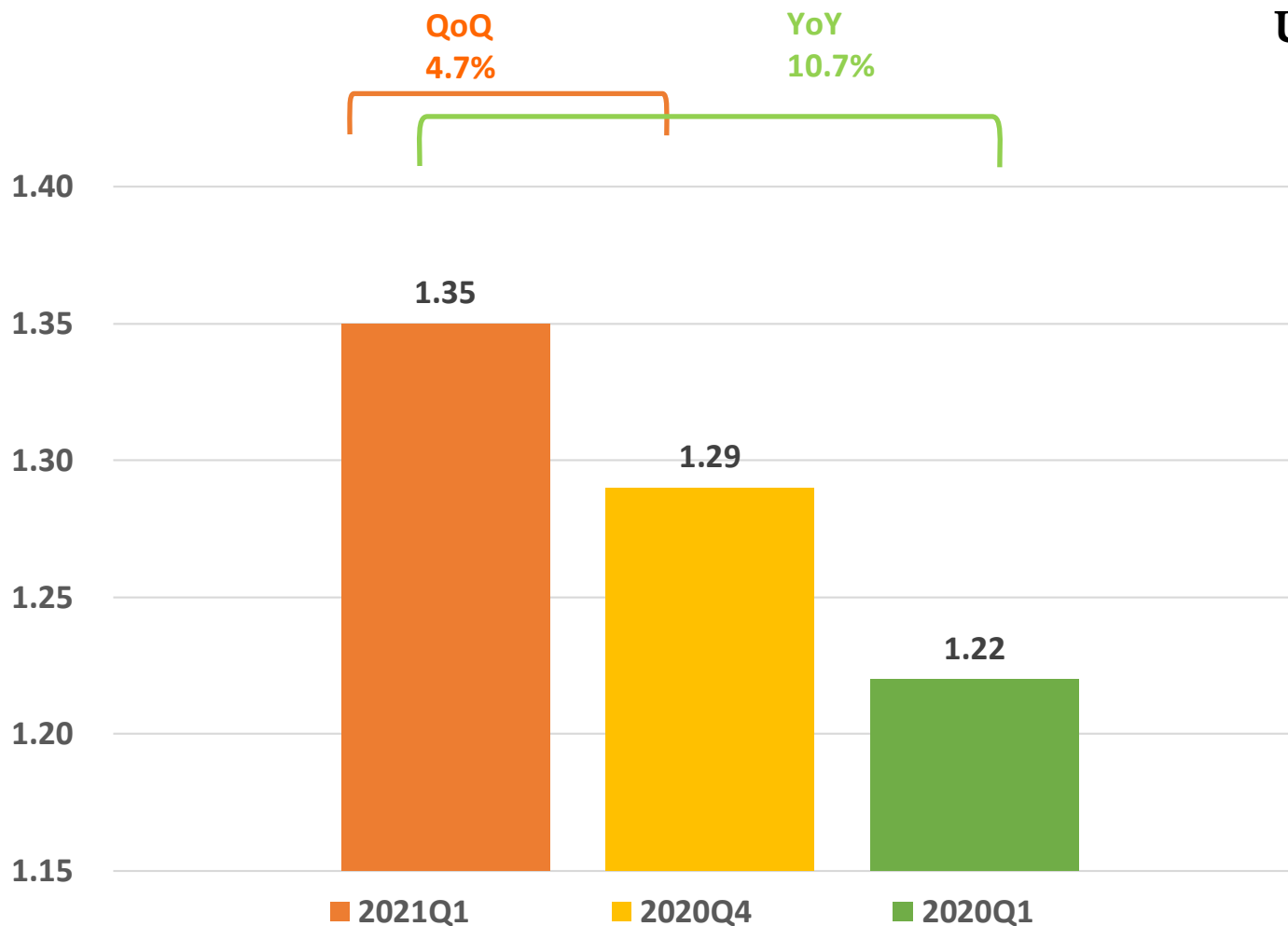


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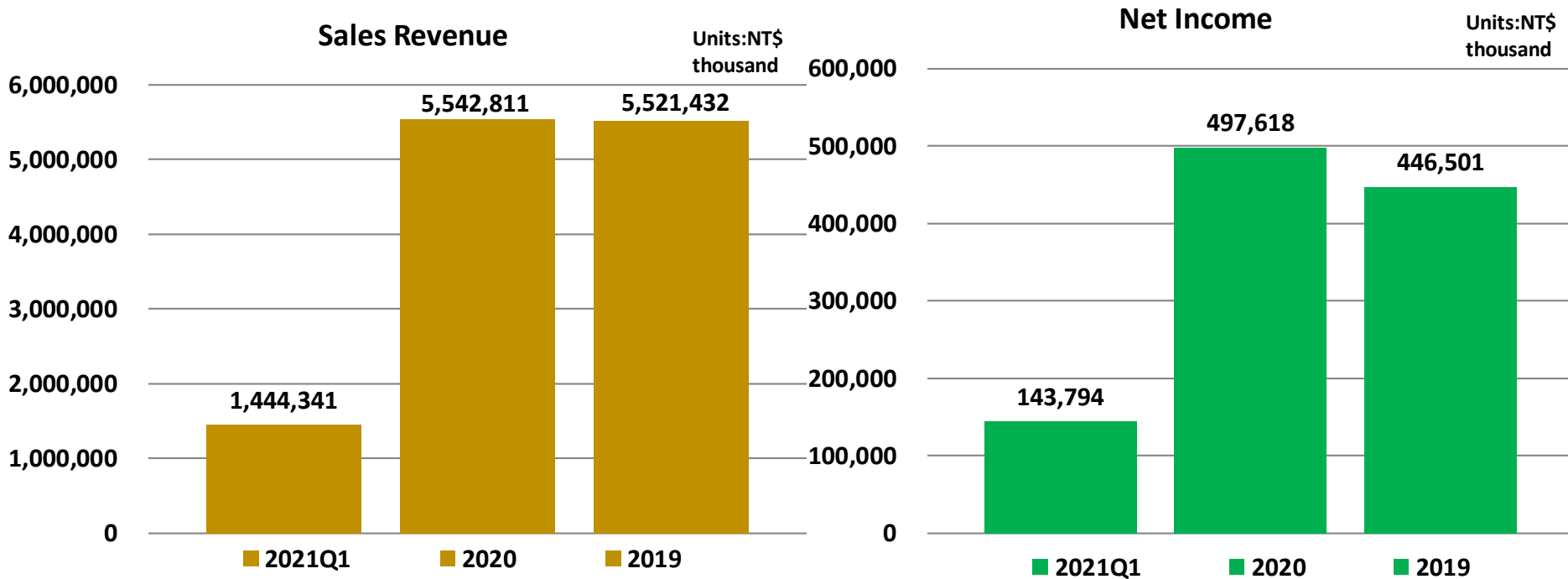
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Consolidated EPS

Units: NT\$



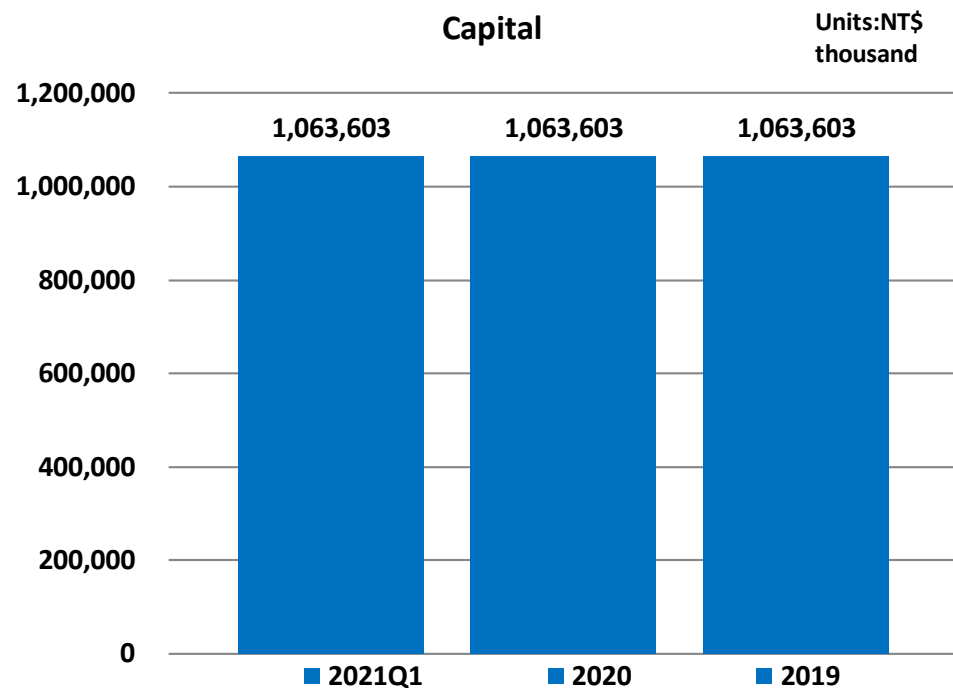
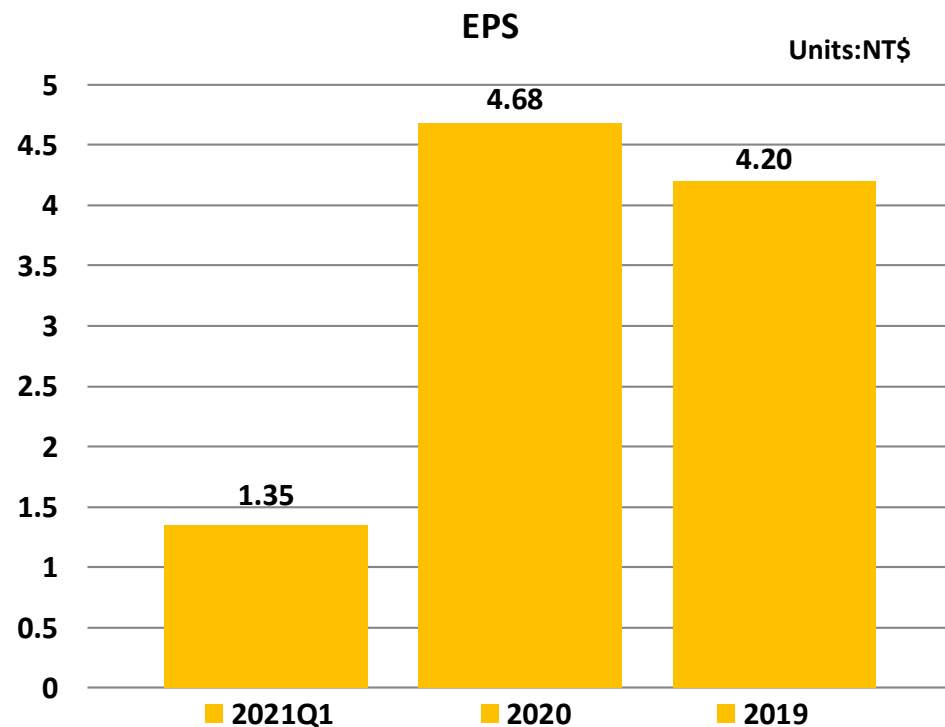
Sales Revenue & Net Income



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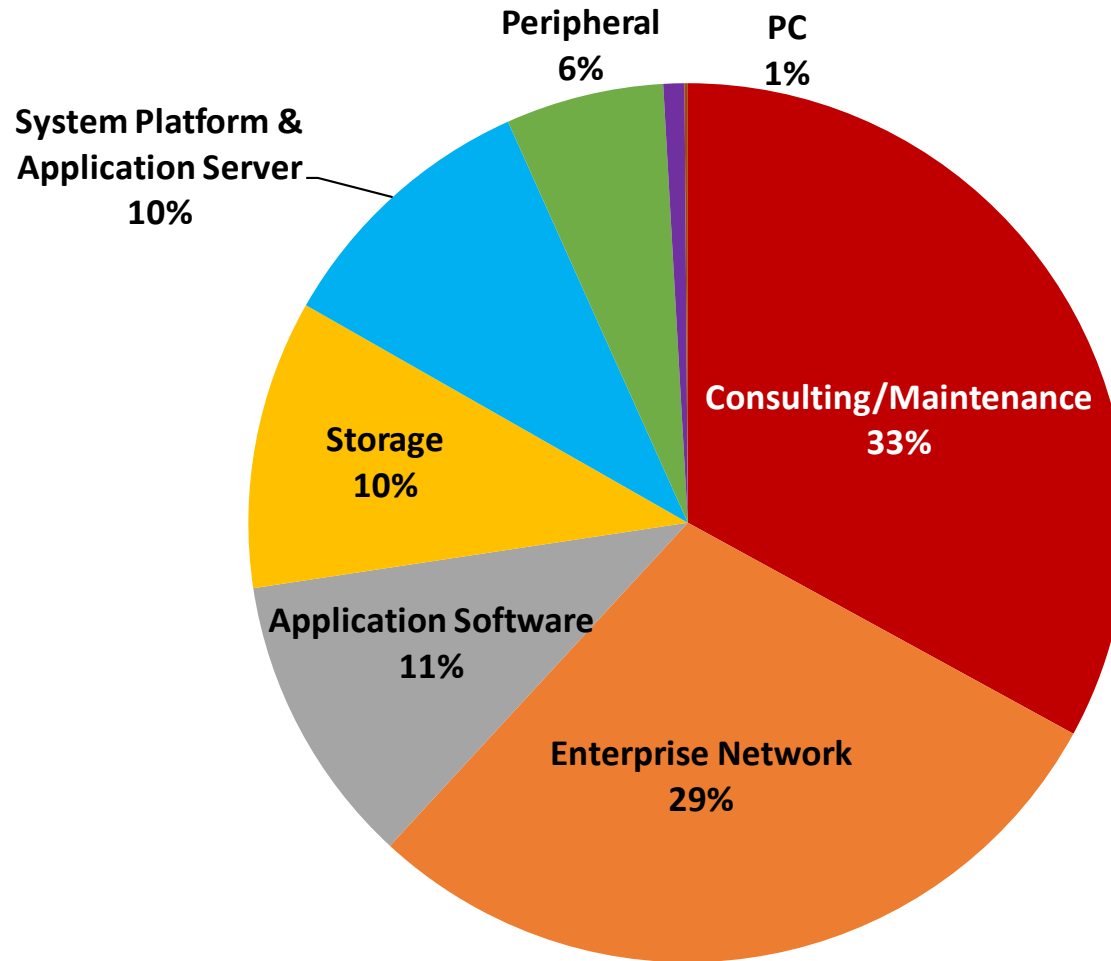
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EPS & Capital



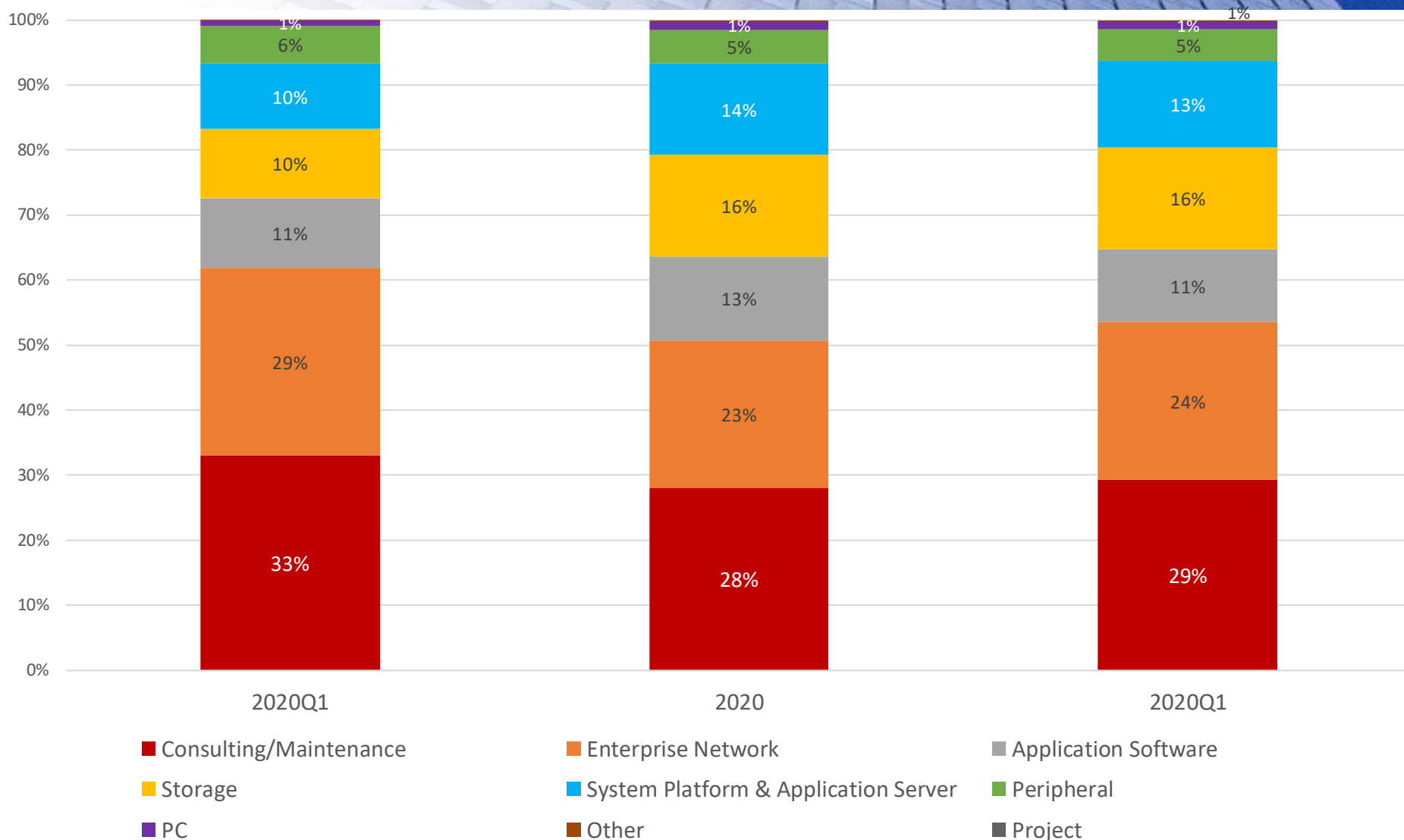
	2021Q1	2020	2019
ROE	5.38	17.69	16.42

2021Q1 Sales Revenues by Type

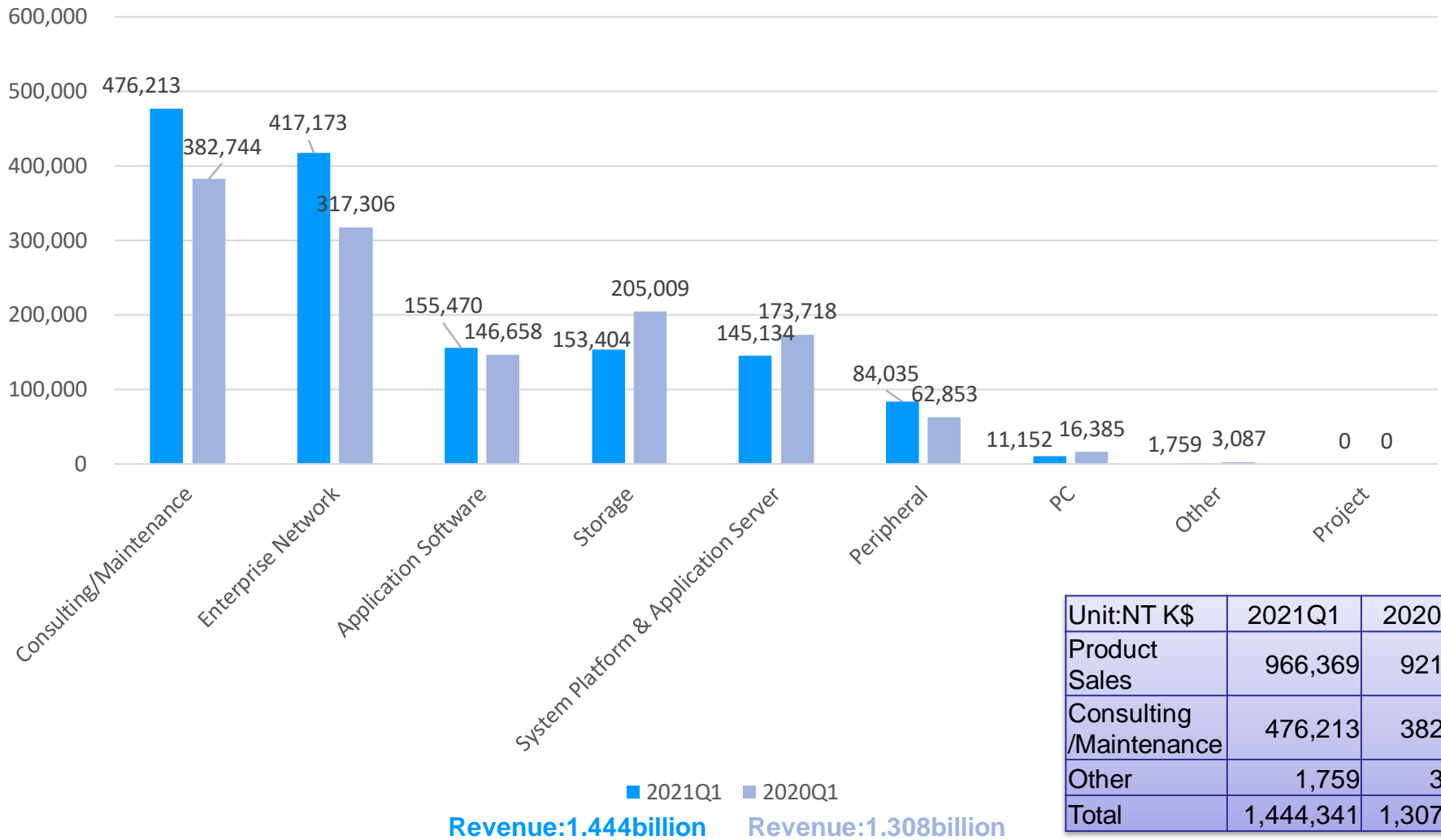


Revenue:1.444billion

Comparison of Sales Revenues by Type

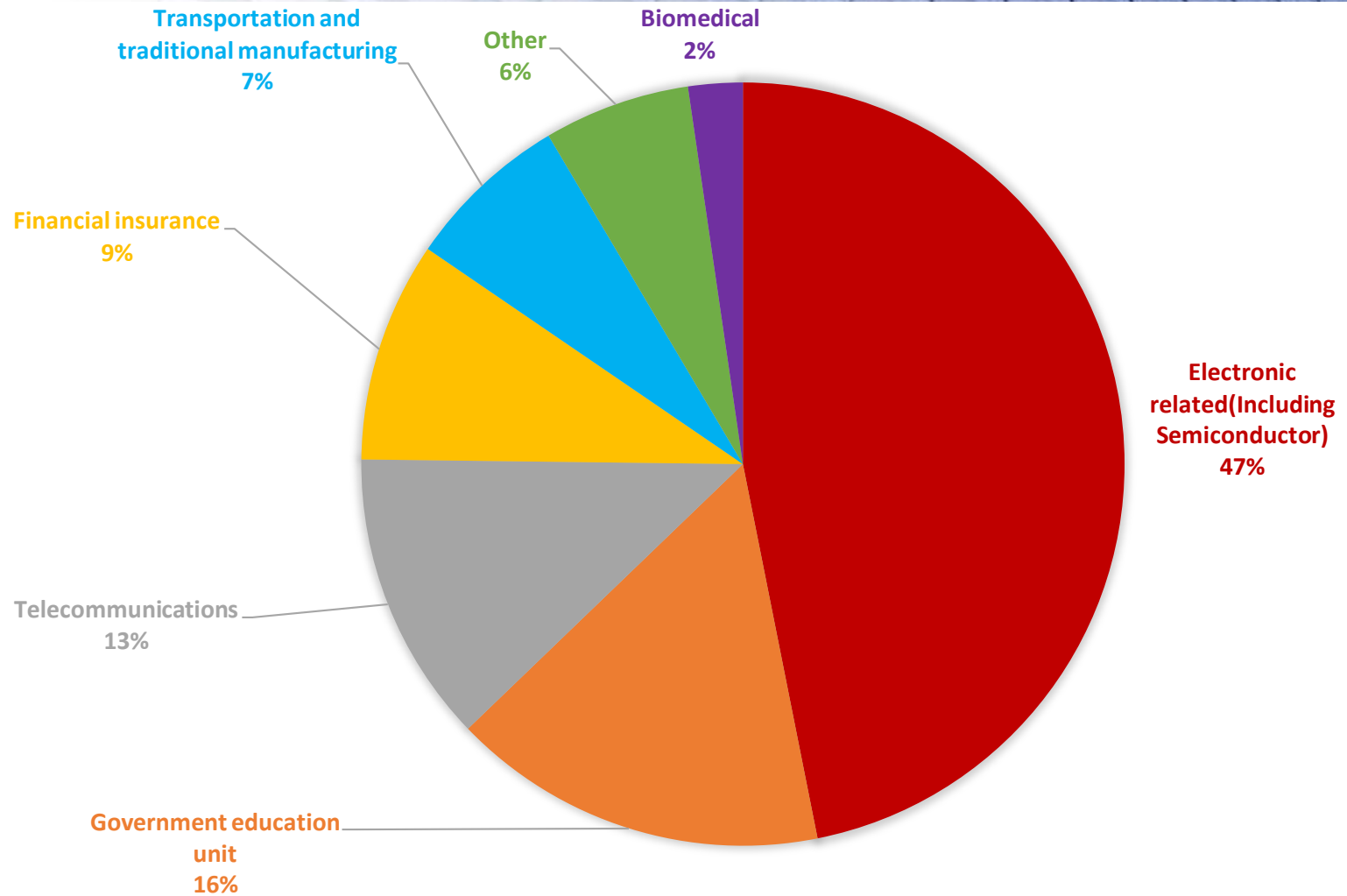


Compare Sales Revenues by Type



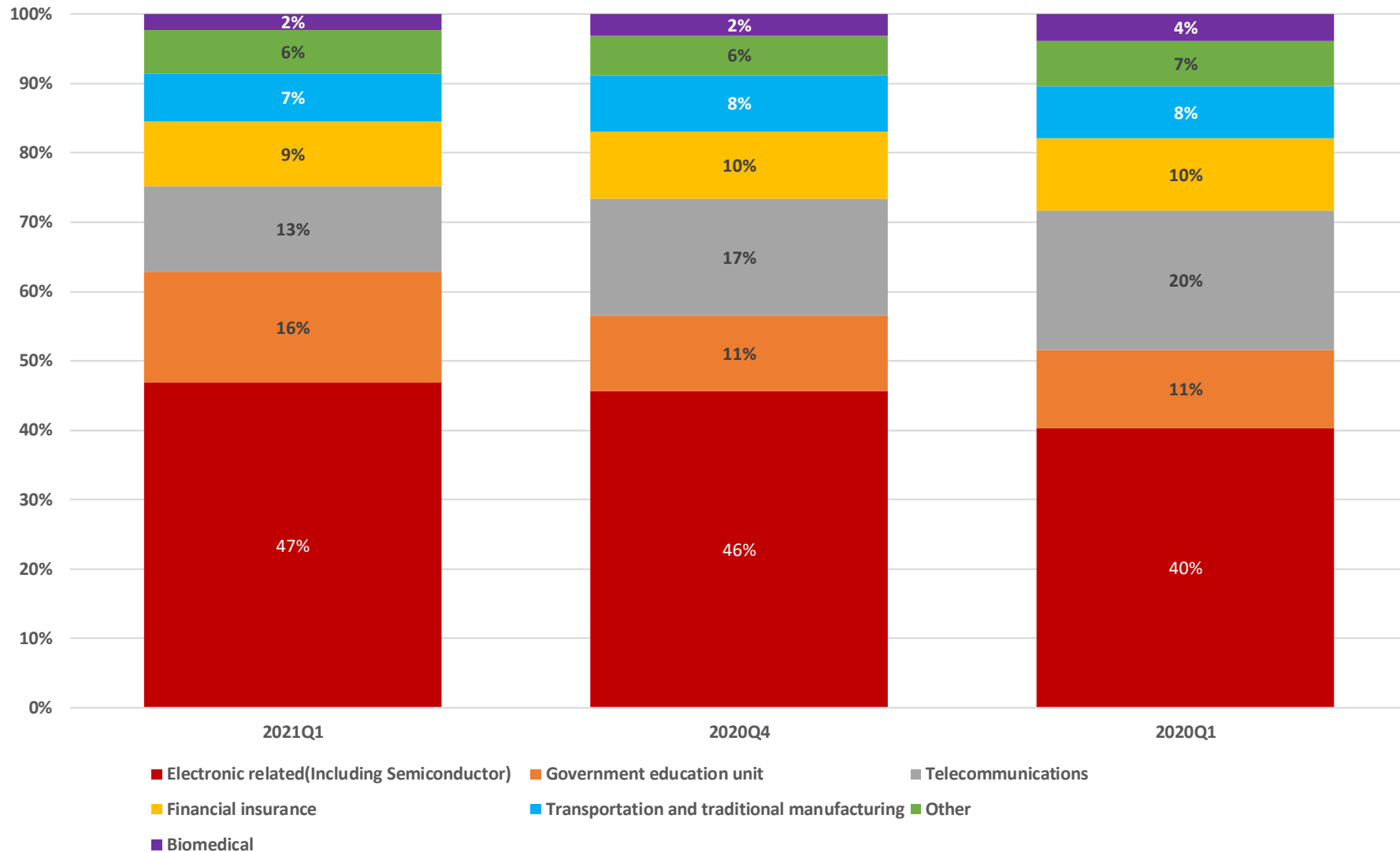
Unit:NT K\$	2021Q1	2020Q1
Product Sales	966,369	921,930
Consulting /Maintenance	476,213	382,744
Other	1,759	3,087
Total	1,444,341	1,307,761

2021Q1 Sales Revenues by Industry

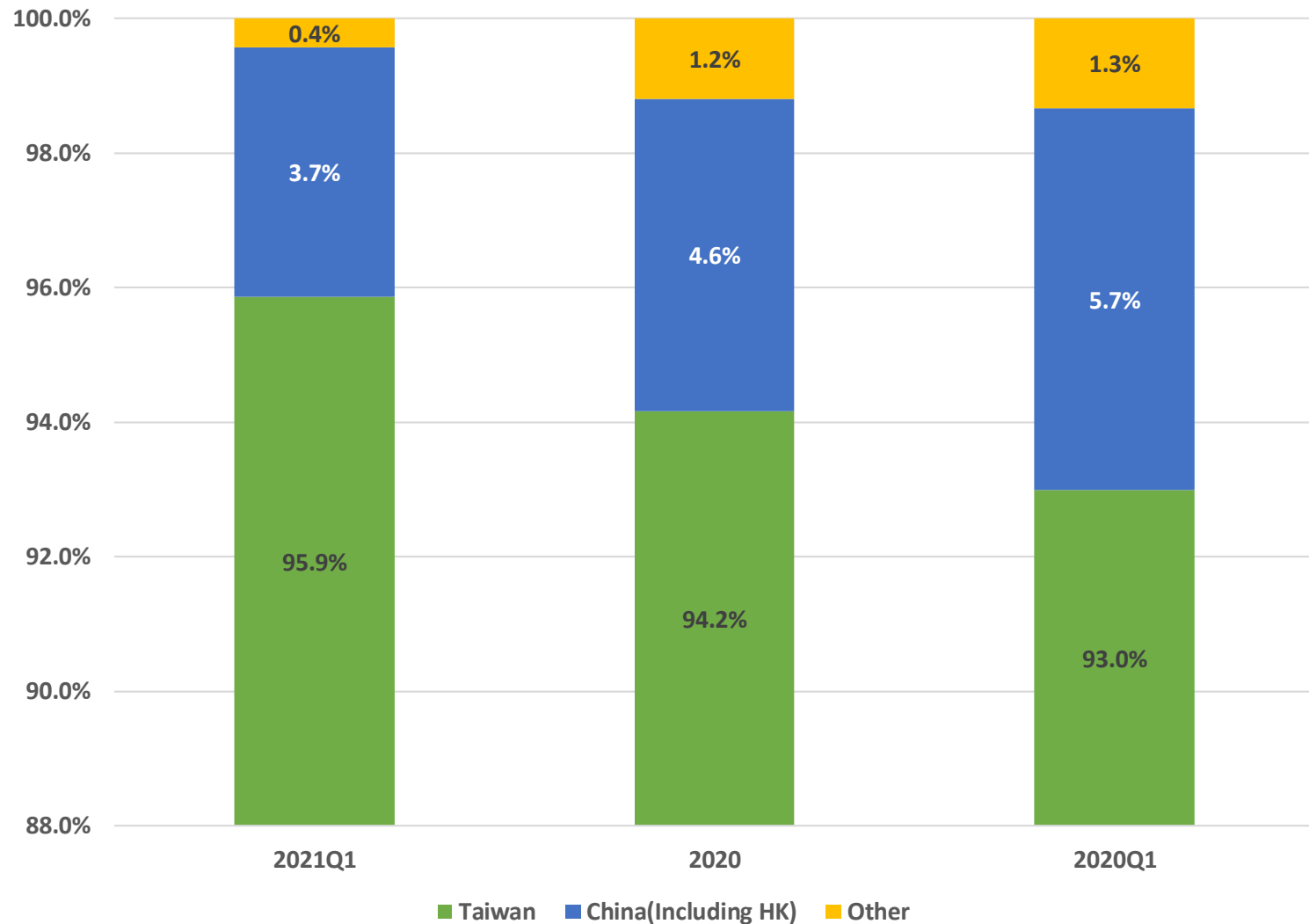


Revenue:1.444billion

Comparison of Sales Revenues by Industry(Accumulated)

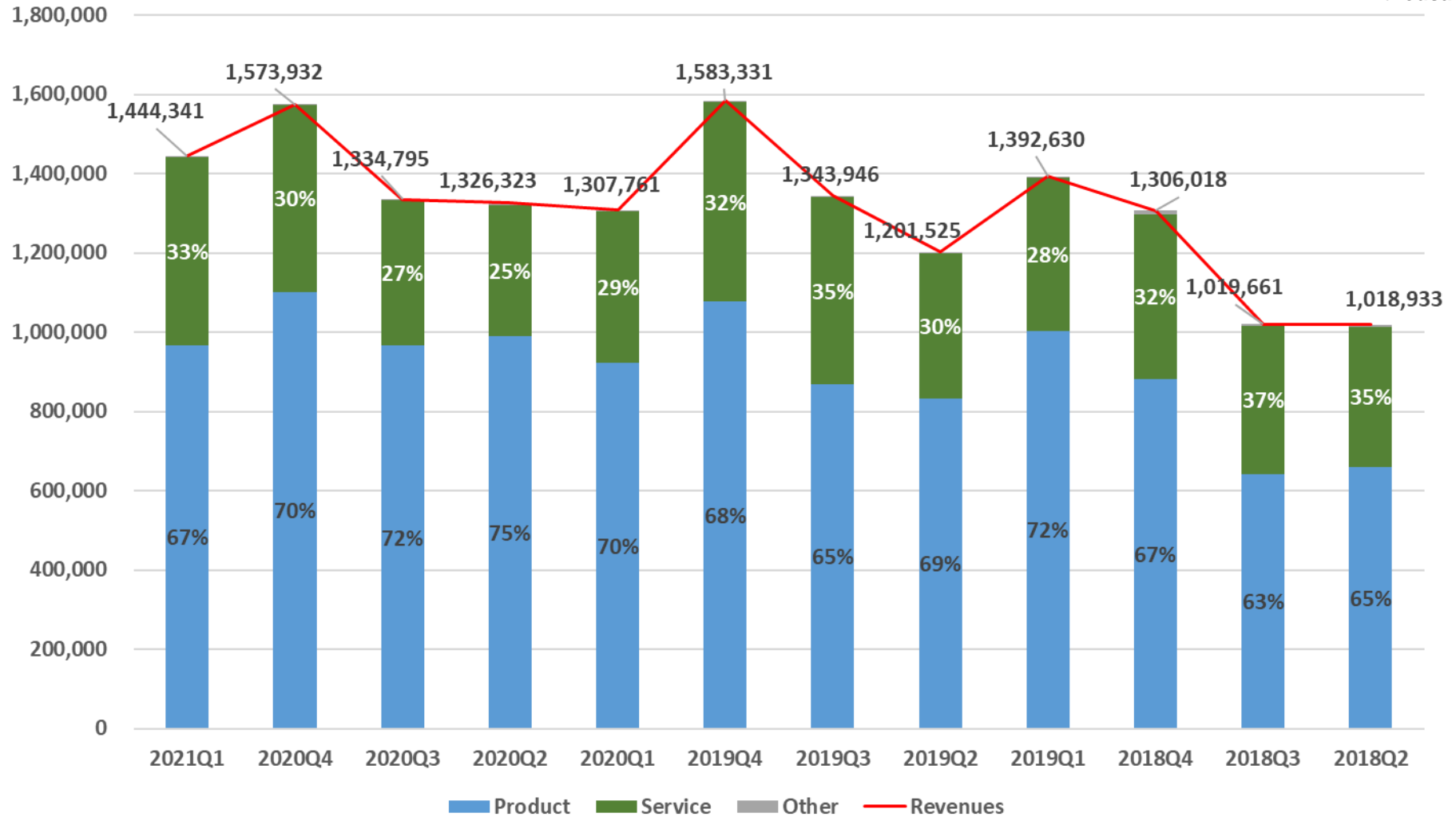


Comparison of Sales Revenues by Region(Accumulated)



Quarterly revenue status

Units:NT\$
thousand



Shareholder's Meeting Information & Dividends Policy

※2021 Annual General Shareholder's Meeting

Date : May 28 (Friday), 2021 9:00AM

Place : No.282, Beida Rd. , Hsinchu City, Taiwan (R.O.C.) (The Third Credit Cooperative of Hsinchu on the 13th-floor conference center)

※Dividends in recent years

Units:NT\$

Year	2020	2019	2018	2017	2016	2015	2014
Amount	4.3	4.45	3.42	2.62	2.1	2	2

※EPS in recent years

Units:NT\$


Year	2020	2019	2018	2017	2016	2015	2014
Amount	4.68	4.2	3.8	2.56	2.25	2.02	2.01

※Payout ratio in recent years

Units:%

Year	2020	2019	2018	2017	2016	2015	2014
Ratio	91.9%	106.0%	90.0%	102.3%	93.3%	99.0%	99.5%

Note : Payout ratio in year 2019 due to the adjustment of IFRSs to shareholders' equity which can be part of distribution



Q & A
Thank you!!