

Stark Technology Inc.(2480)

2022Q2 Investor Conference

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**
- **573+ 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 21%-35% company over the 8th Corporate Governance Evaluation

Year	Announce Results	STI Percentage	The evaluation results of the market value of more than 5 billion to 10 billion (NTD\$)
2014(1 st .)	The top 20%	6%-20%	NA
2015(2 nd .)	The top 50%	6%-20%	NA
2016(3 rd .)	100%	6%-20%	NA
2017(4 th .)	100%	6%-20%	NA
2018(5 th .)	100%	6%-20%	NA
2019(6 th .)	100%	6%-20%	NA
2020(7 th .)	100%	6%-20%	6%~10%
2021(8 th .)	100%	21%-35%	11%-20%

Awards

- ❑ **Awarded the 2021 Supplier Conference "Hand in Hand with Sustainability Pioneer-Best Partner" award by Far EastOne Telecom**
- ❑ **2020 "Enterprise Human Resource Improvement Plan" by the Taozhumiao Branch of the Labor Development Agency of the Ministry of Labor**
- ❑ **Fubon Financial Holdings was named "Sustainable Performance Excellent Supplier" in 2021**
- ❑ **Chunghwa Telecom 2021 "Supplier Corporate Social Responsibility Information Disclosure Excellence Award"**
- ❑ **System Products**
 - **DELL_2021 Best Hyperconverged Reseller Partner**
 - **HPE FY21 Best partner Award**
 - **HPE FY21 Excellent distribution partner**
 - **IBM_2020 Best LinuxOne Breakout Award**
 - **Lenovo_2020 Best Solution Sales Award**
 - **DELL_2020 Highest Growth Partner Award**
 - **HPE_FY20 Best partner Award**

Awards(Continued)

□ Storage Products

- **Veeam_FY21 Platinum Partner of the Year Award**
- **IBM_2021 BEST SELLING IN Storage Systems**
- **Hitachi Vantara_FY21 Best partner Award**
- **NetApp_FY20 Best partner Award**
- **NetApp_ FY21 Best Partner Award**
- **VMware_2020 Highest Growth Partner Award**
- **VEEAM_FY20 Gold Partner of the Year Award**

Awards(Continued)

- ❑ **Info. Security/ Data comm. Products**
 - **Aruba_FY21 HPE Aruba Best Platinum partner of the Year**
 - **CITRIX _ Best Application Delievery & Security Sales Partner**
 - **Checkpoint_ 2021& 2021Best New Customer Development Partner**
 - **Fortinet 2021 Excellence Award**
 - **Cisco-FY21 Reseller of the Year**
 - **MicroFocus 2021 Outstanding Contribution Award**
 - **Cisco_FY20 Rising Star Award**
 - **HPE Aruba _FY20 Best Platinum partner of the Year**
 - **Fortinet_2020 Outstanding Regional Distribution Partner Award**
 - **Palo Alto_FY21 Top Performer in Driving Business Growth**
- ❑ **Other Products**
 - **Nutanix _2021 Distribution Partner Best Growth Award**
 - **Nutanix _2021 Best Market Opportunity Development Award**
 - **INFINITIES_2021 Beat Distributor of the Year. Best Sales Award**
 - **Nutanix_FY20 Best Market Opportunity Development Award**

STI Service Network

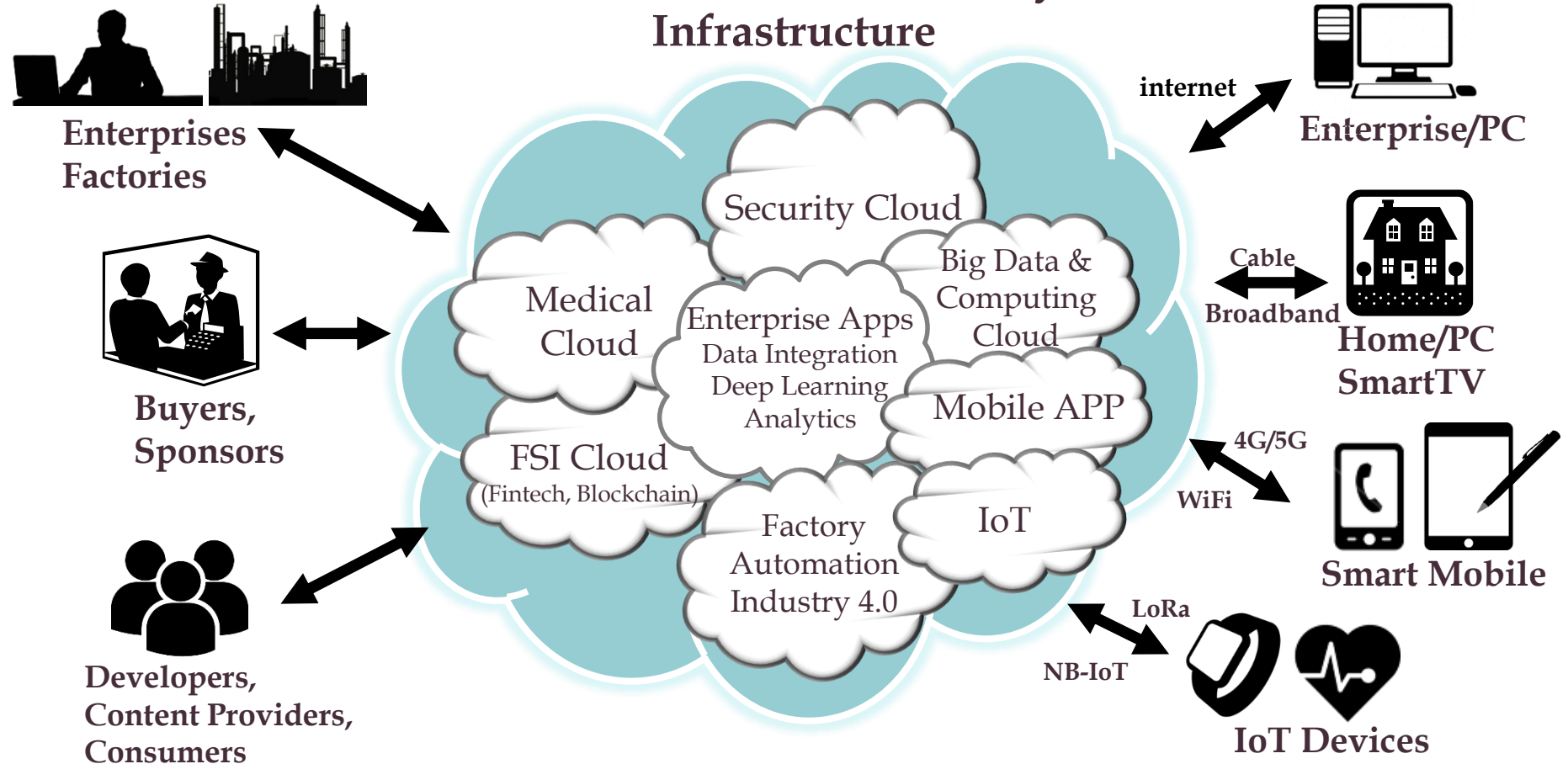


Sales Operation – by Industries

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

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



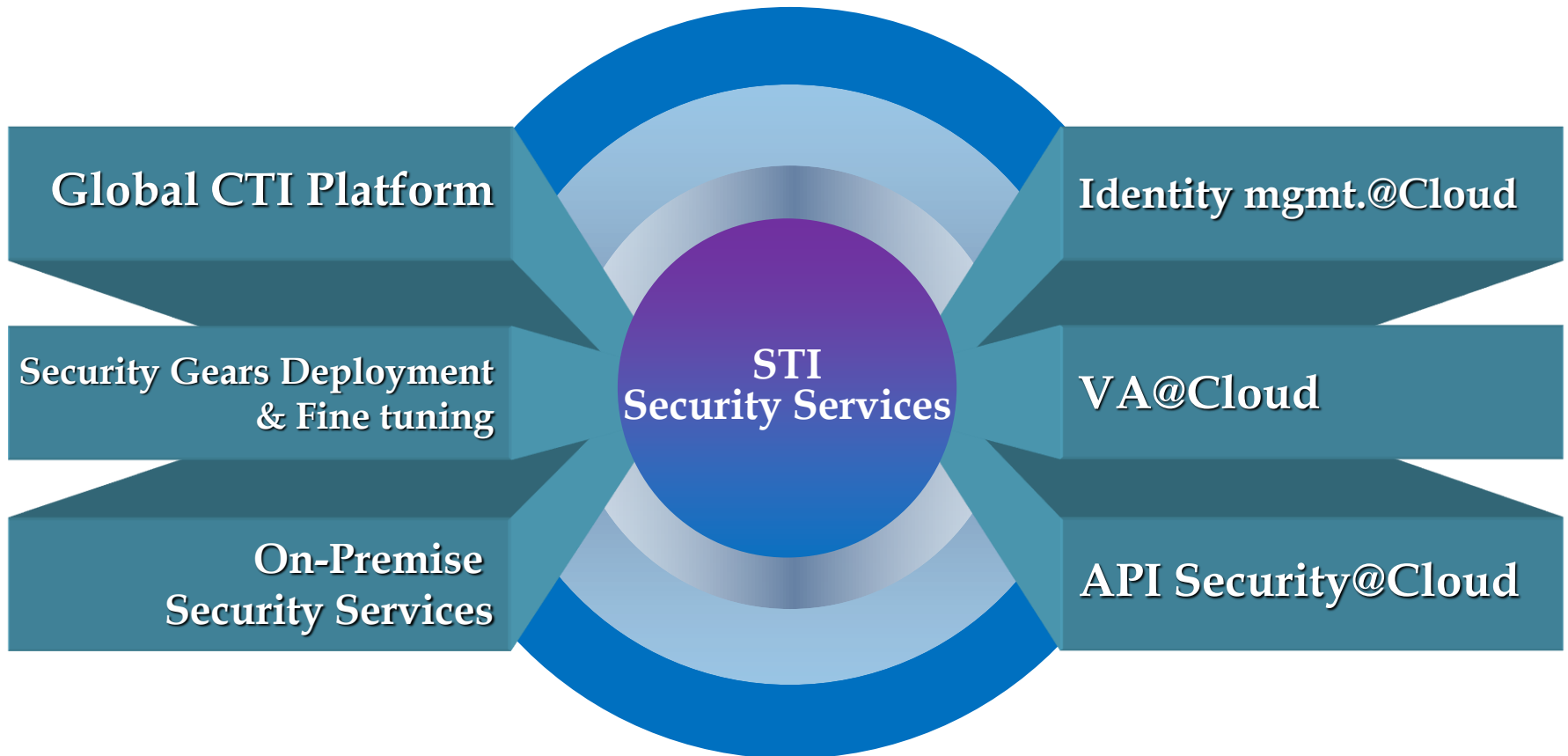
探智立方
Intelligence Qubic



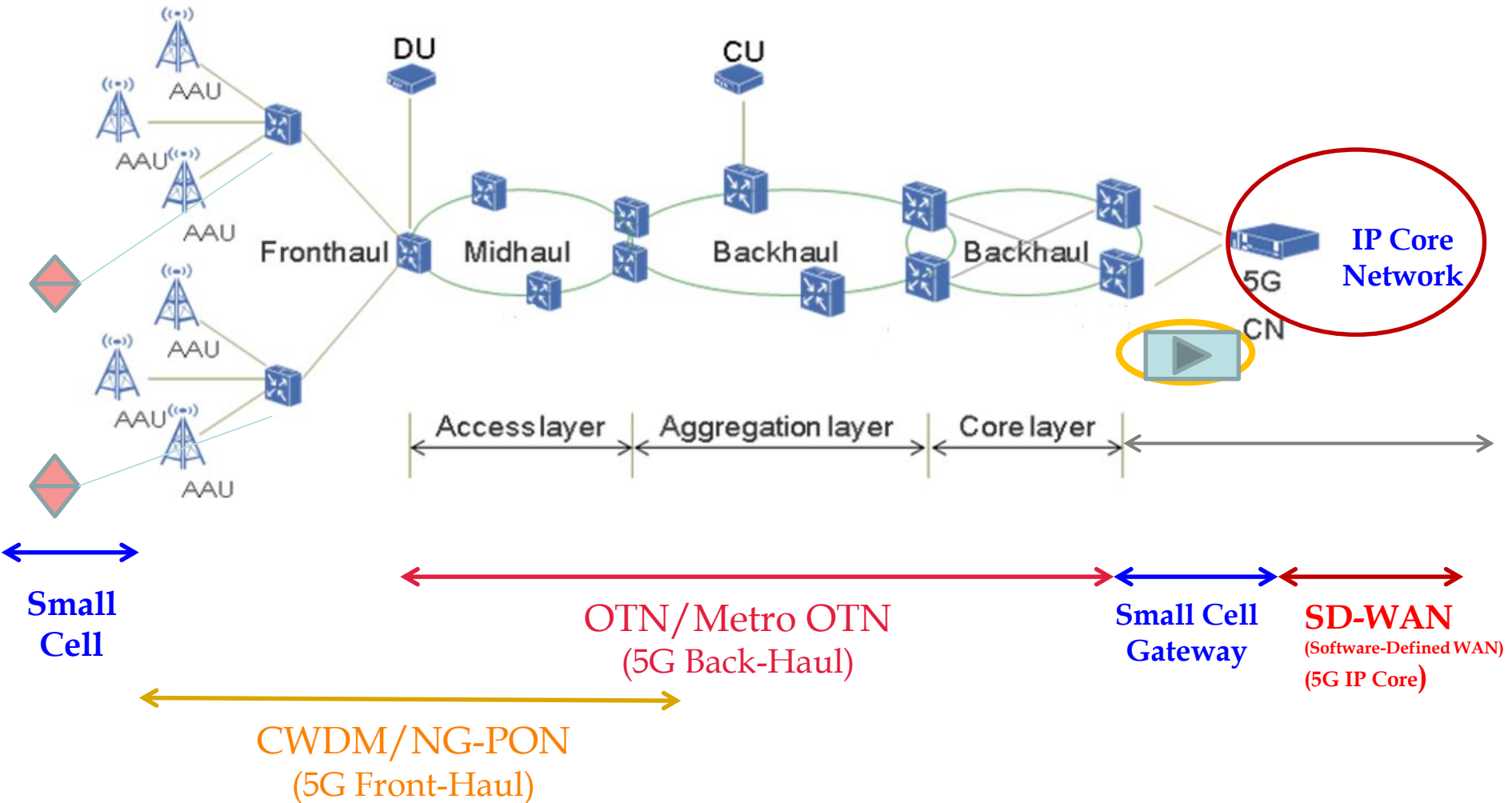
Stark Technology Inc.

敦陽科技股份有限公司

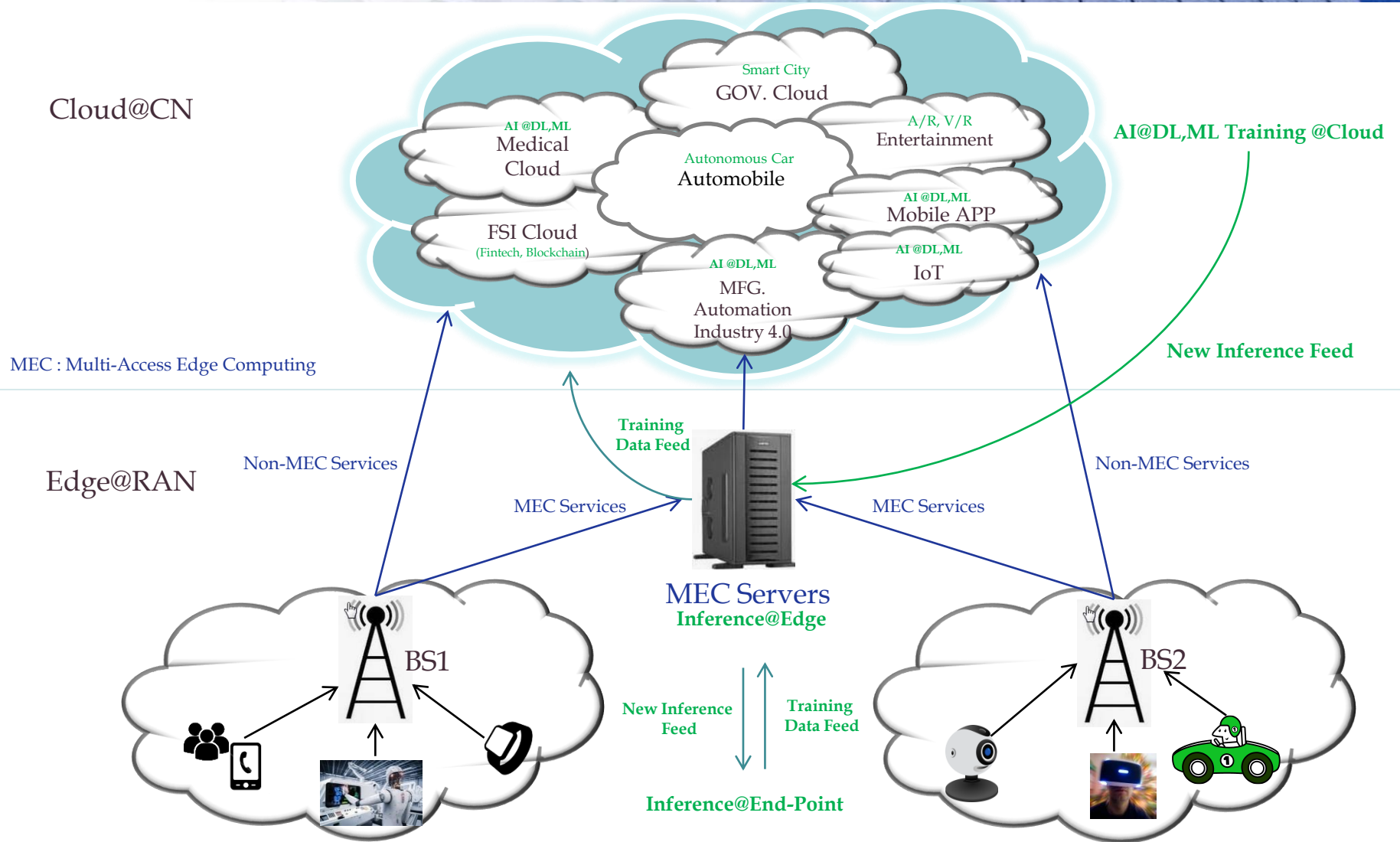
Managed Security Service Provider (MSSP)



Tel-Communication Technologies (5G)



Meet up 5G + MEC@AI@Cloud



Products & Solutions

Info. Security



Data Comm.



Software Development Tools



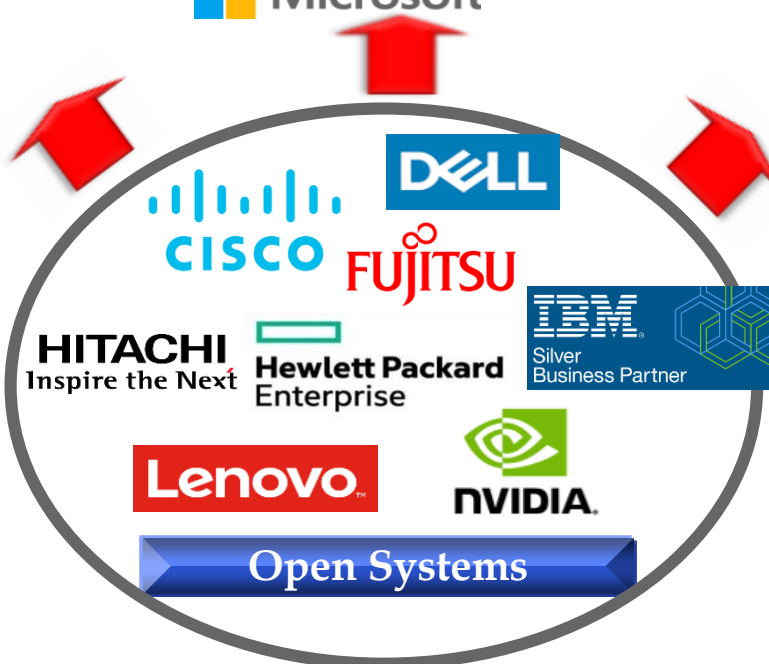
Resource MGMT.



Data MGMT.



Telcomm.



Open Systems



Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

Item	2022/6/30		2021/12/31		2021/6/30	
	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,736,018	28%	1,450,910	25%	1,073,022	19%
Accounts receivable(including contract assets)	818,549	13%	962,617	17%	1,014,741	18%
Inventories	2,180,440	35%	1,991,209	34%	2,111,513	38%
Property,Plant and equipment	441,323	7%	446,238	8%	448,098	8%
Total Assets	6,264,812	100%	5,786,869	100%	5,604,828	100%
Current Liabilities	3,423,869	55%	2,665,481	46%	2,845,905	51%
Total Liabilities	3,525,707	56%	2,766,996	48%	2,951,715	53%
Equity	2,739,105	44%	3,019,873	52%	2,653,113	47%

Source: Market Observation Post System

Income Statements Overview (Consolidated)

Units: NT\$ thousand

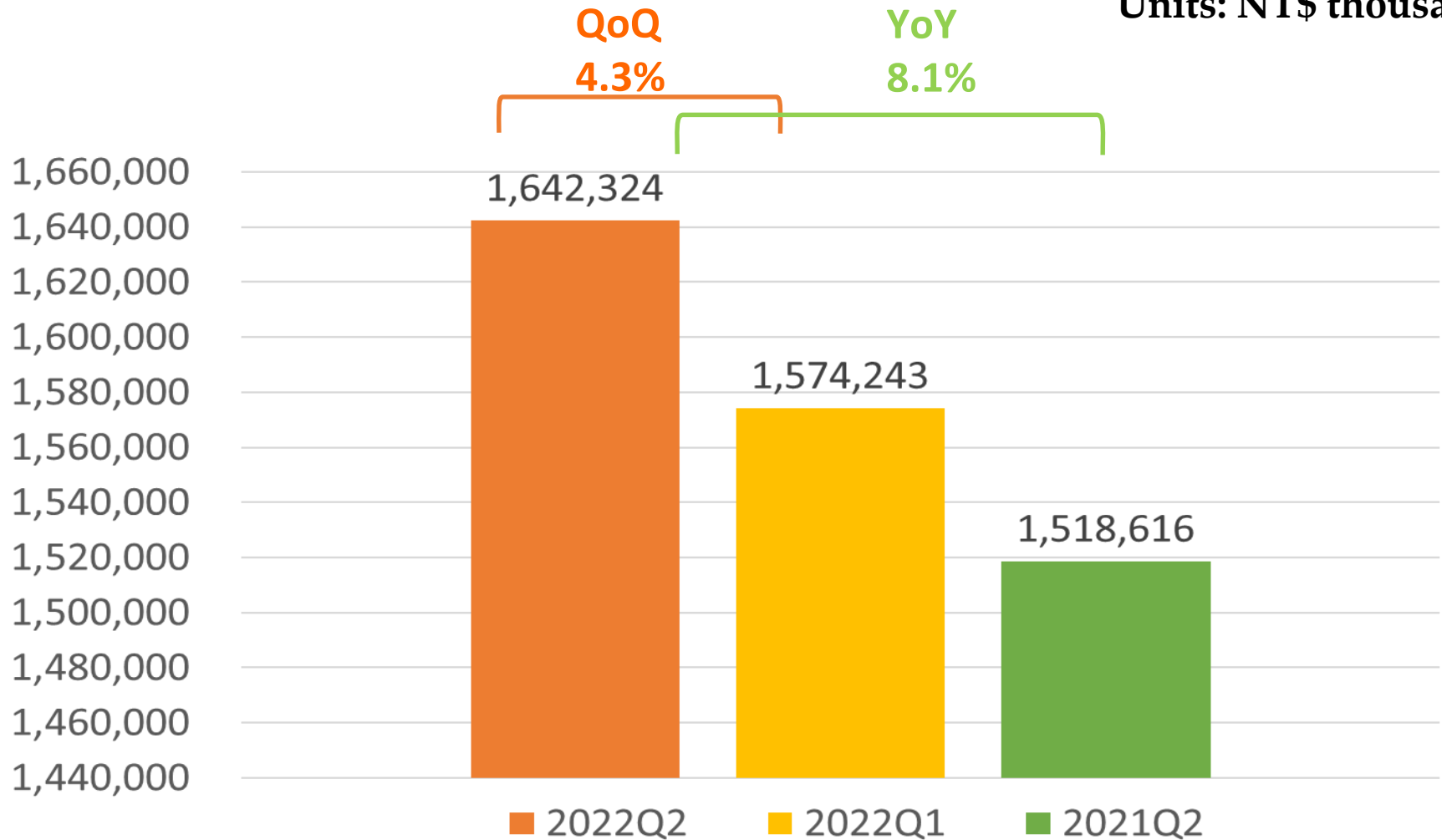
Item	2022 Jan.-June		2021 Jan.-June		YOY
	AMT	%	AMT	%	
Revenues	3,216,567	100%	2,962,957	100%	8.6%
Gross profit	852,467	27%	741,622	25%	14.9%
Operating expense	445,617	14%	406,311	14%	9.7%
Operating income	406,850	13%	335,311	11%	21.3%
Other income	27,923	1%	16,026	1%	74.2%
Pre-tax income	434,773	14%	351,337	12%	23.7%
Net income	352,969	11%	278,317	10%	26.8%
EPS(NT\$)	3.32		2.62		26.7%

Source: Market Observation Post System

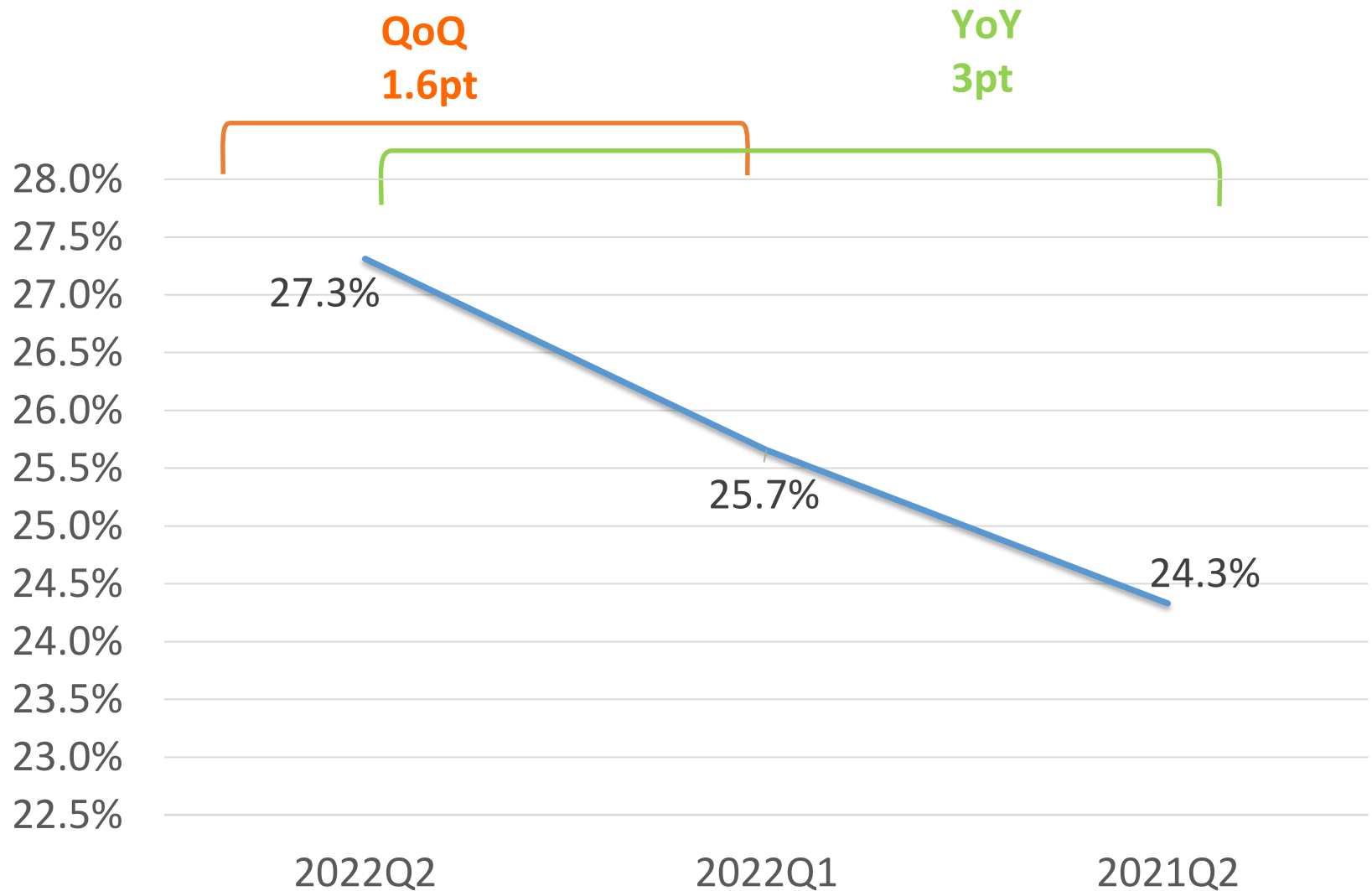
Note:China subsidiary's revenue of consolidated: 2022Q2 2.25%;2021Q2 3.08%

Consolidated Revenues

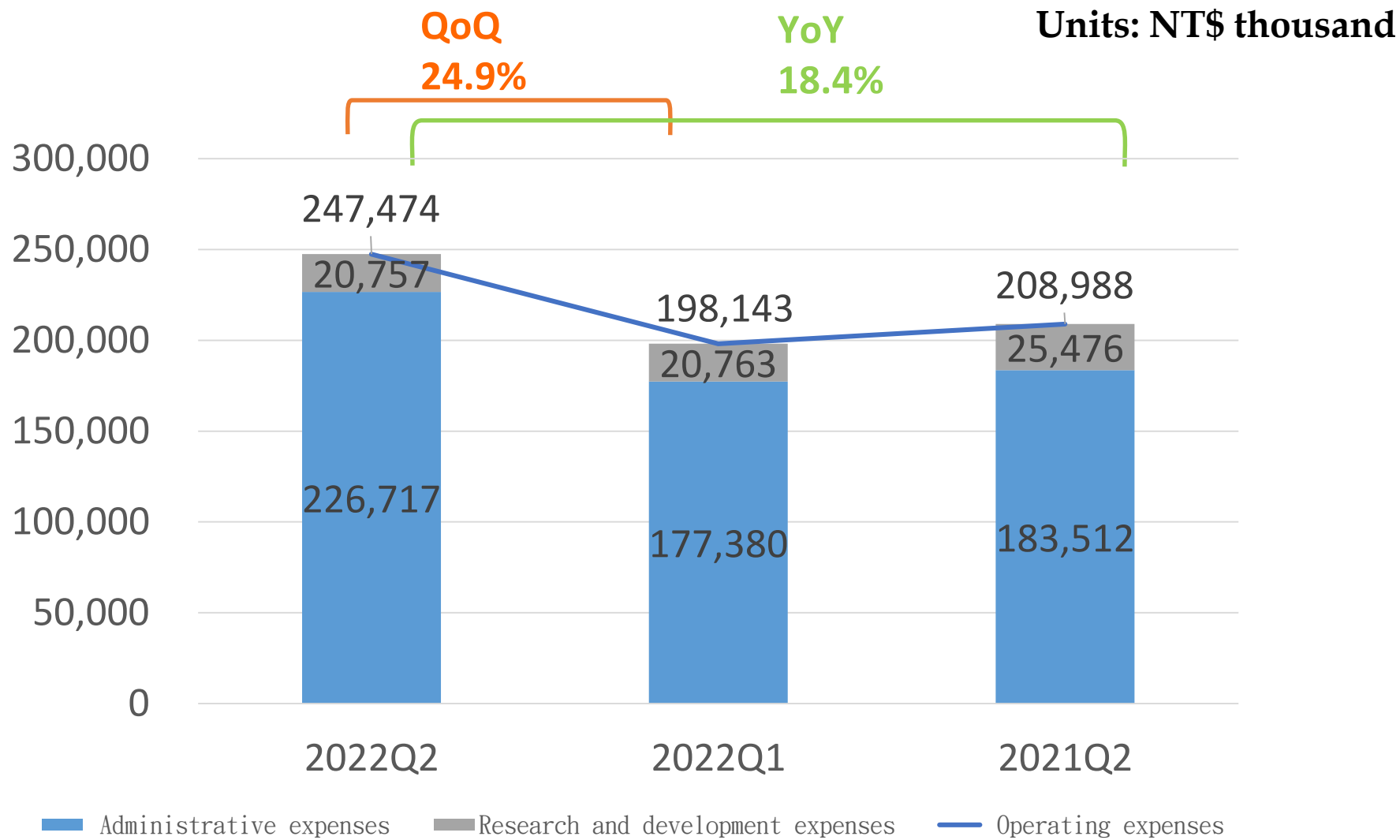
Units: NT\$ thousand



Consolidated Gross profit%

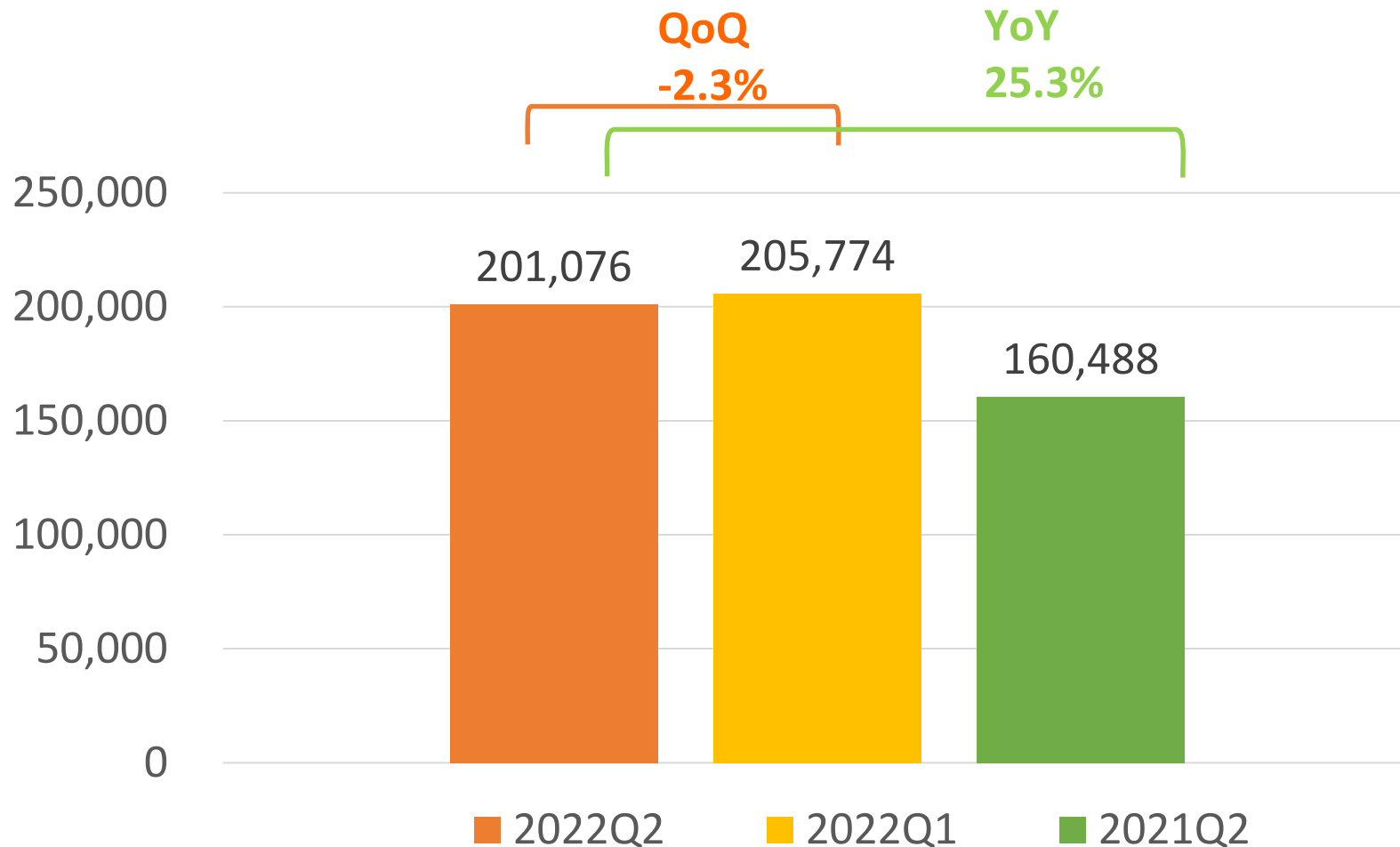


Consolidated Operating expenses

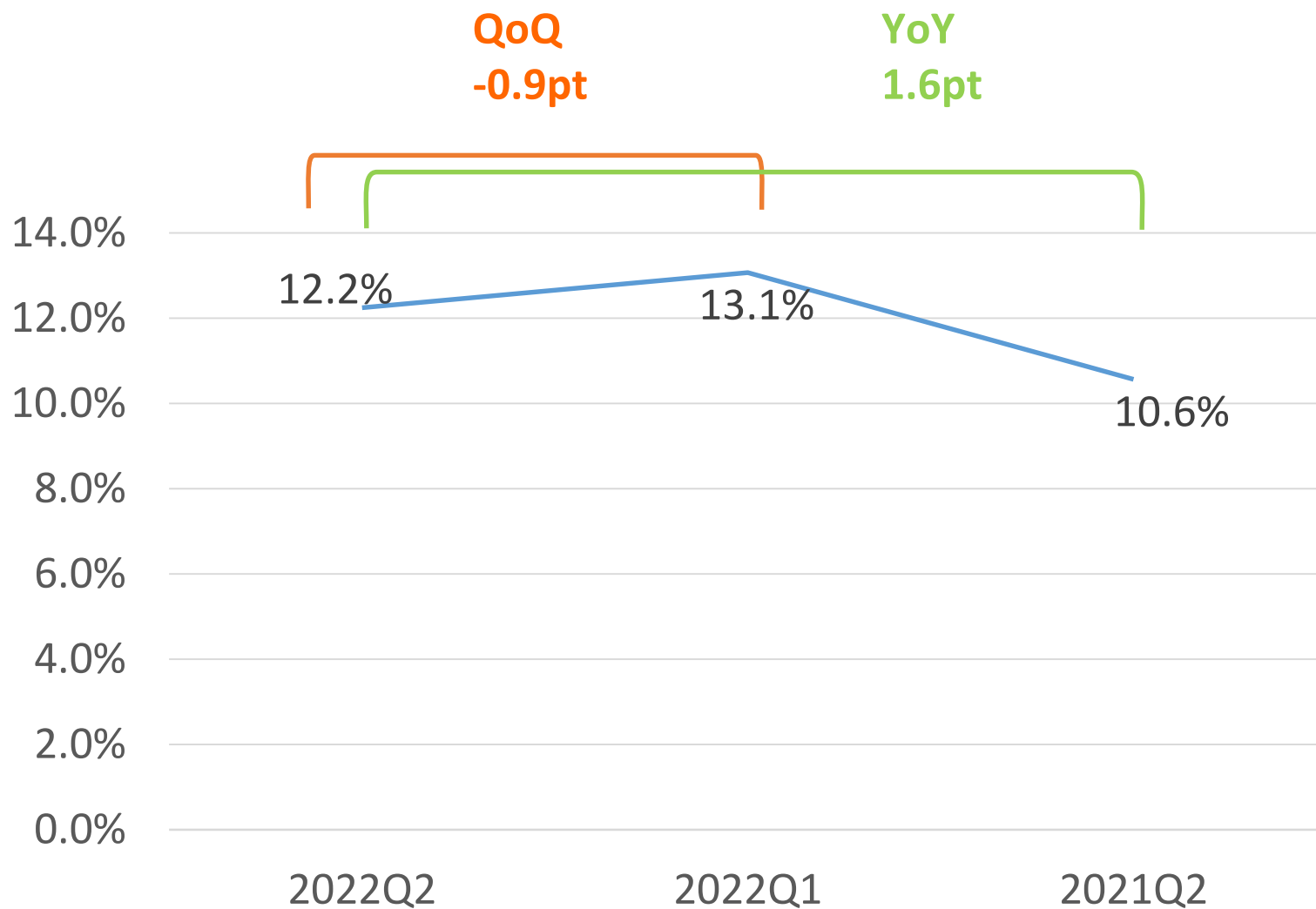


Consolidated Operating income

Units: NT\$ thousand

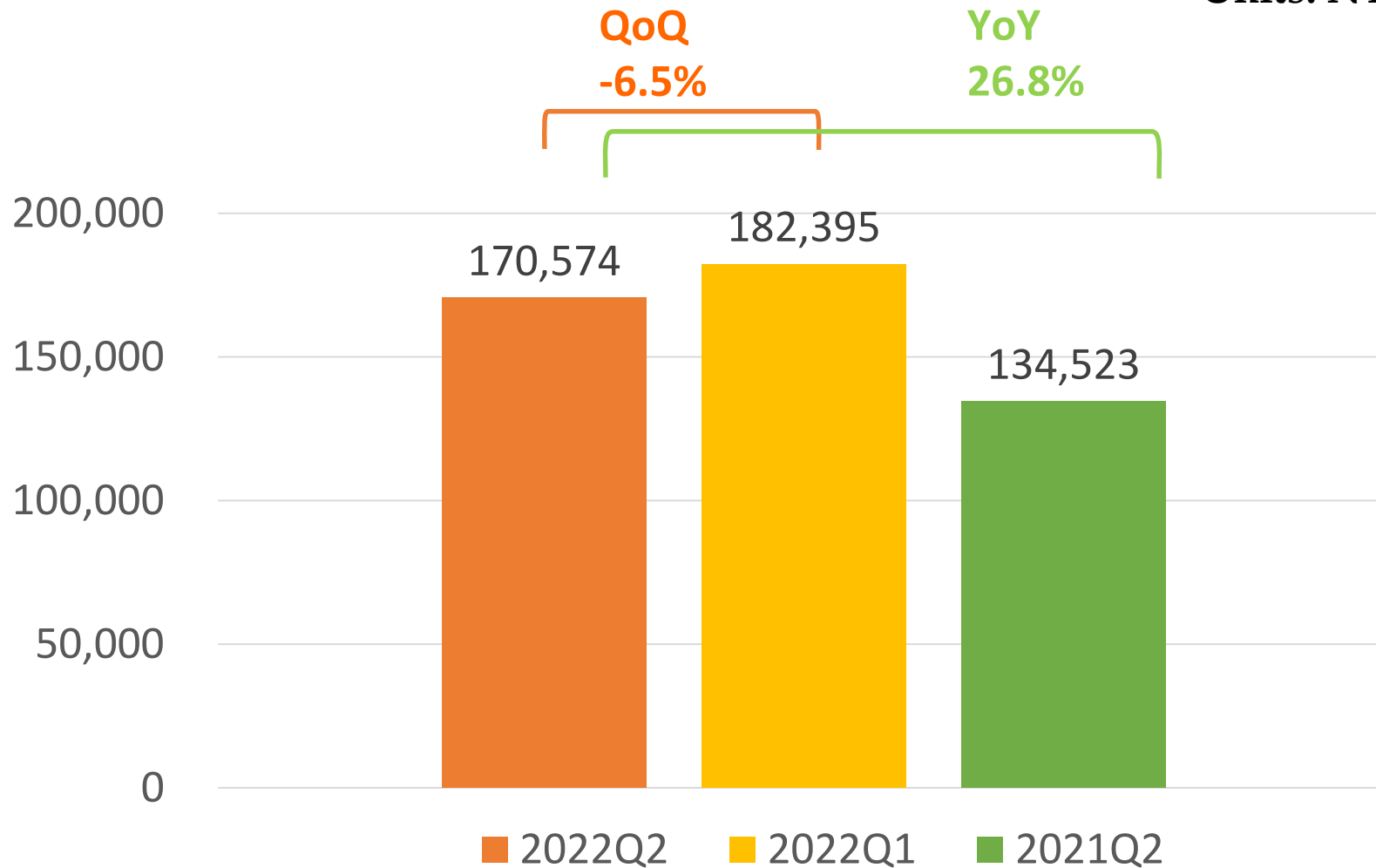


Consolidated Operating income⁰%

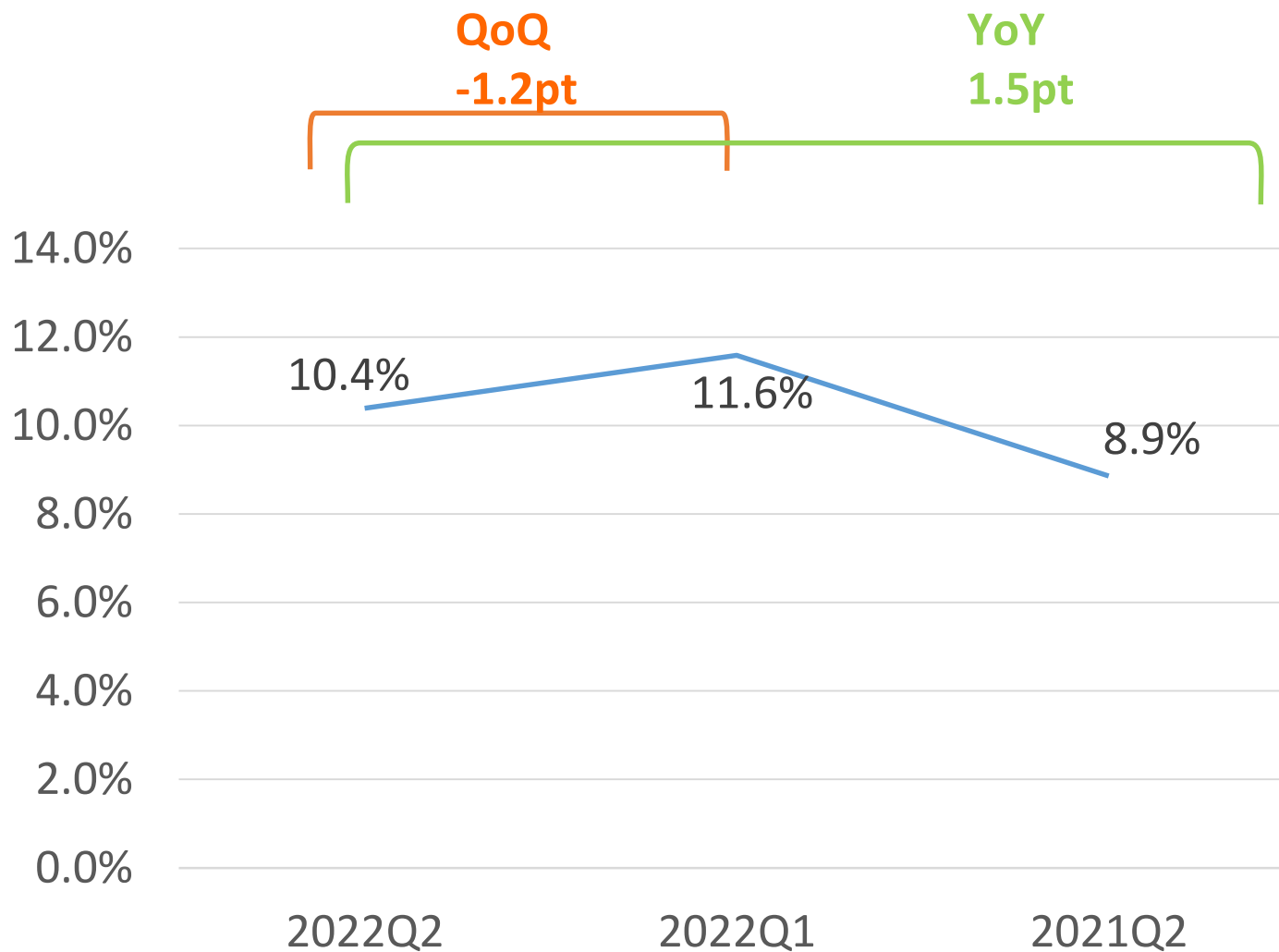


Consolidated Net income

Units: NT\$ thousand

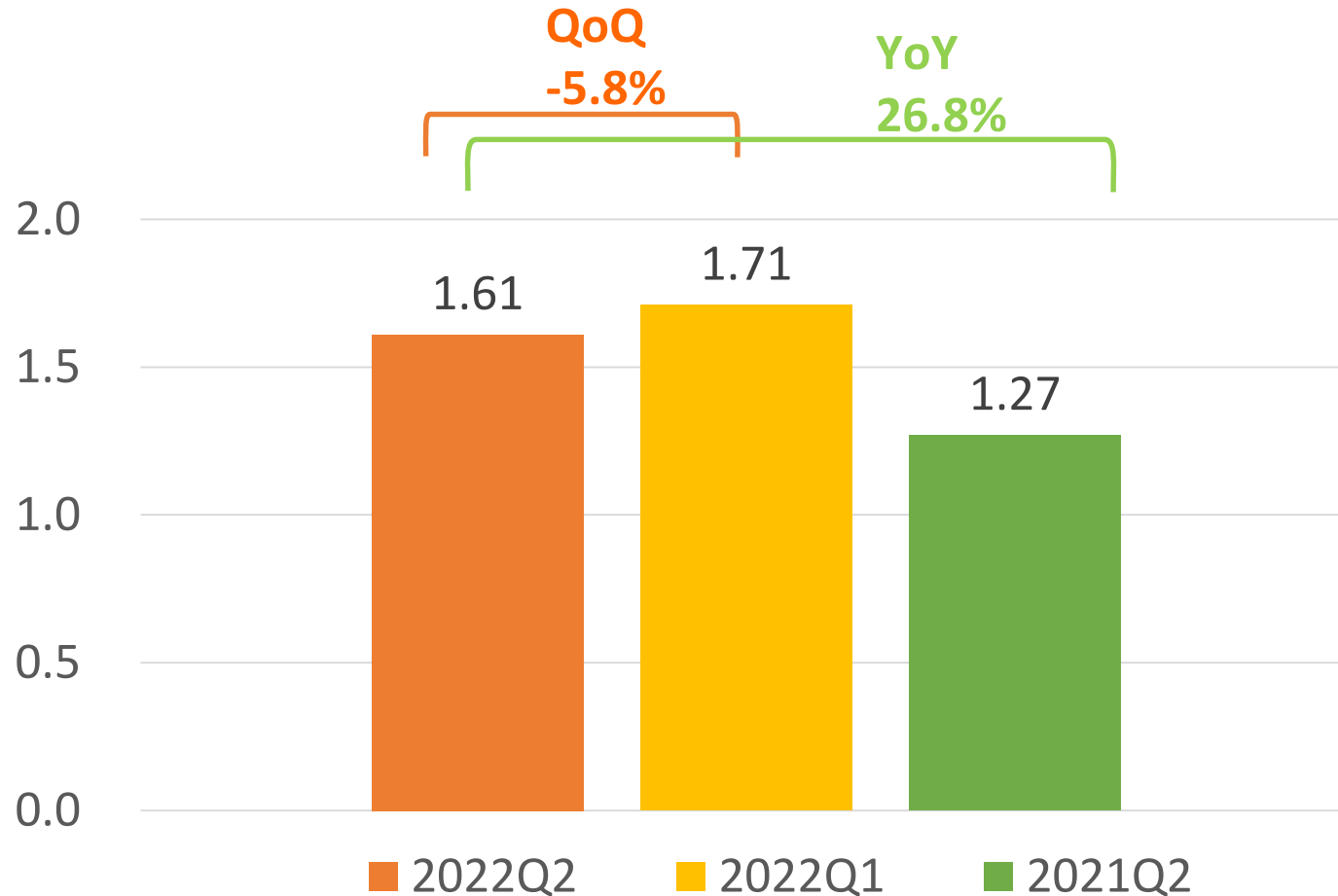


Consolidated Net income⁰%



Consolidated EPS

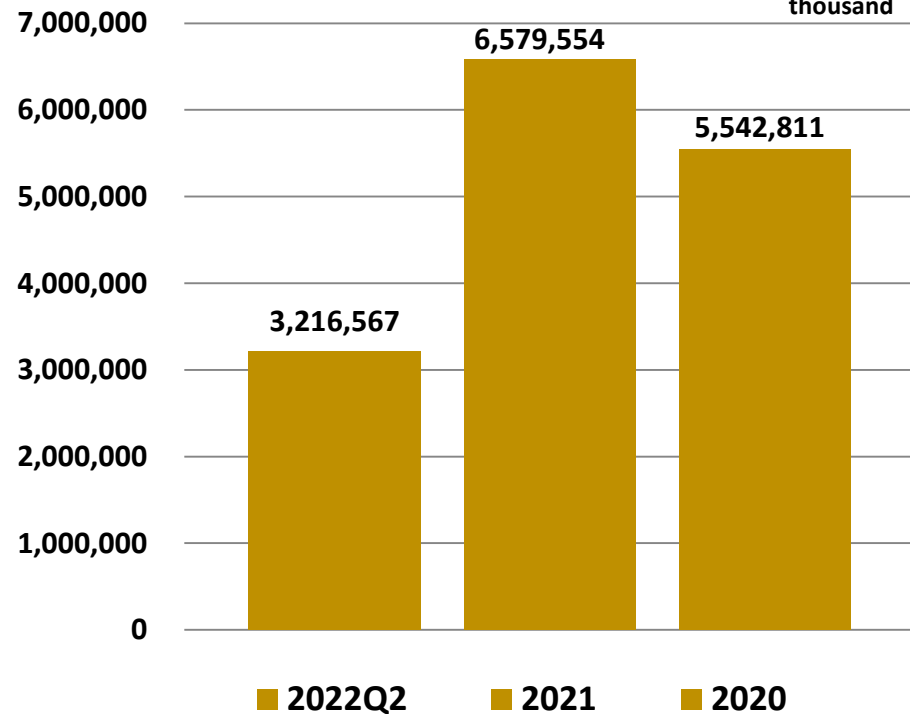
Units: NT\$



Sales Revenue & Net Income

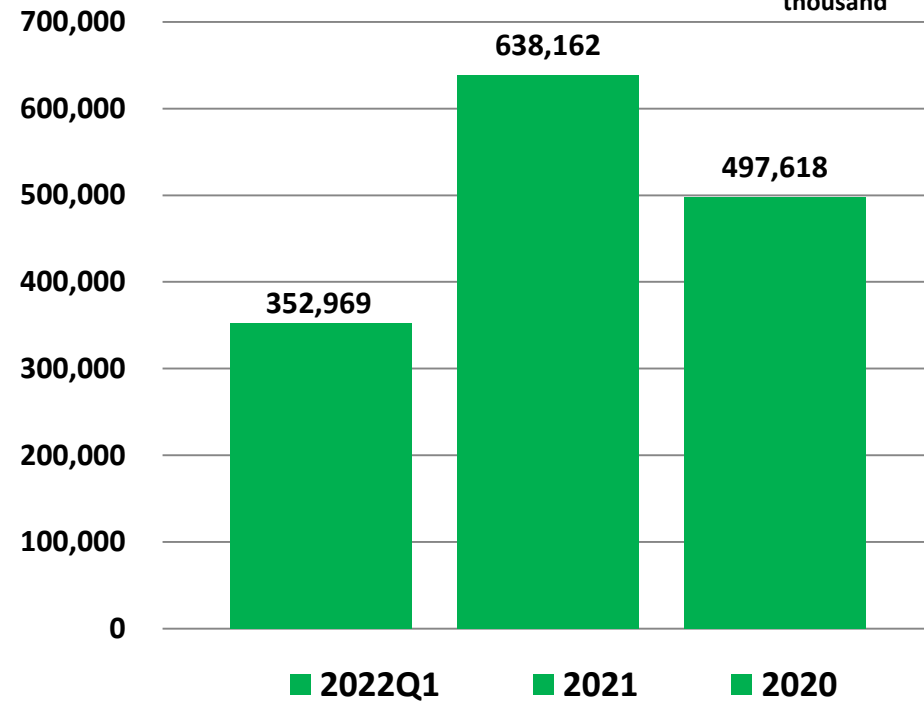
Sales Revenue

Units:NT\$
thousand



Net Income

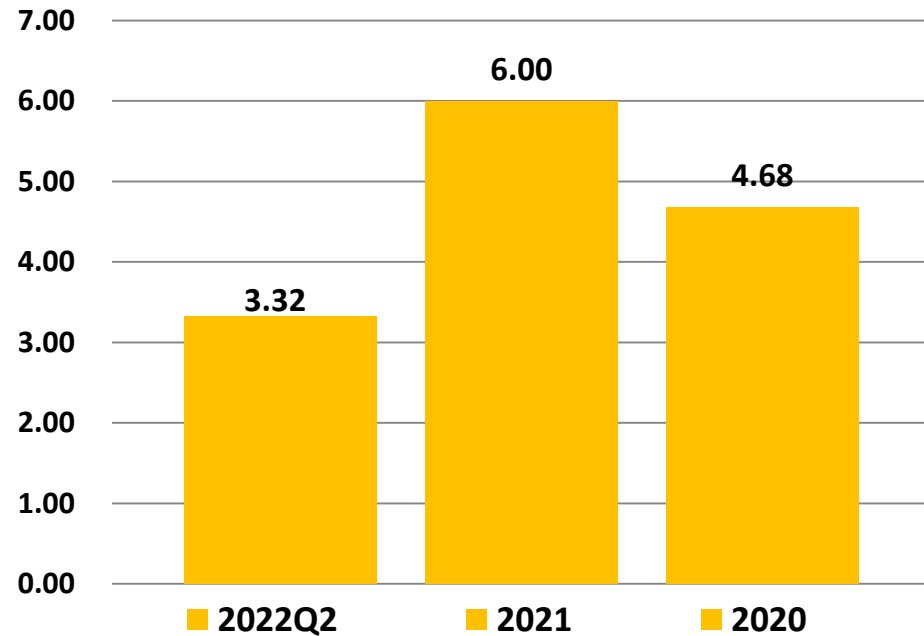
Units:NT\$
thousand



EPS & Capital

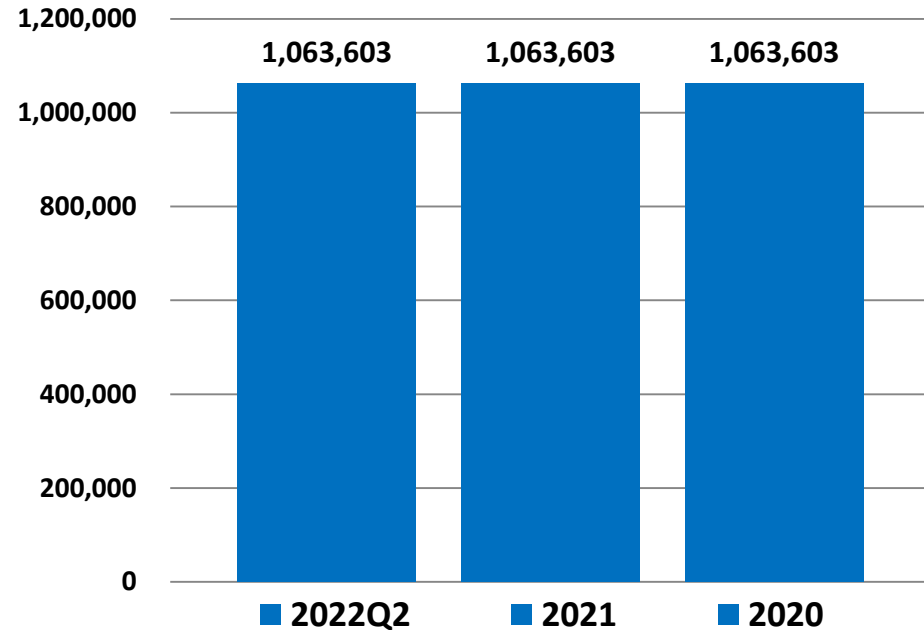
EPS

Units:NT\$



Capital

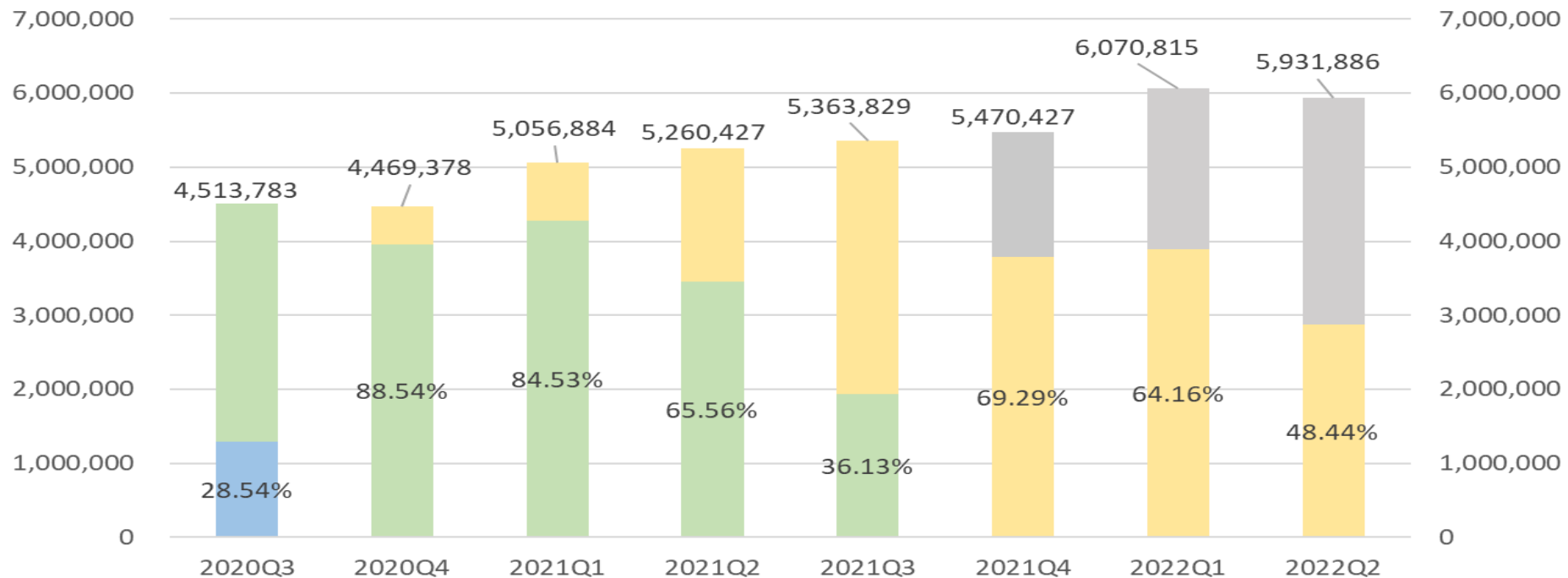
Units:NT\$ thousand



	2022Q2	2021	2020
ROE	12.26	21.82	17.69

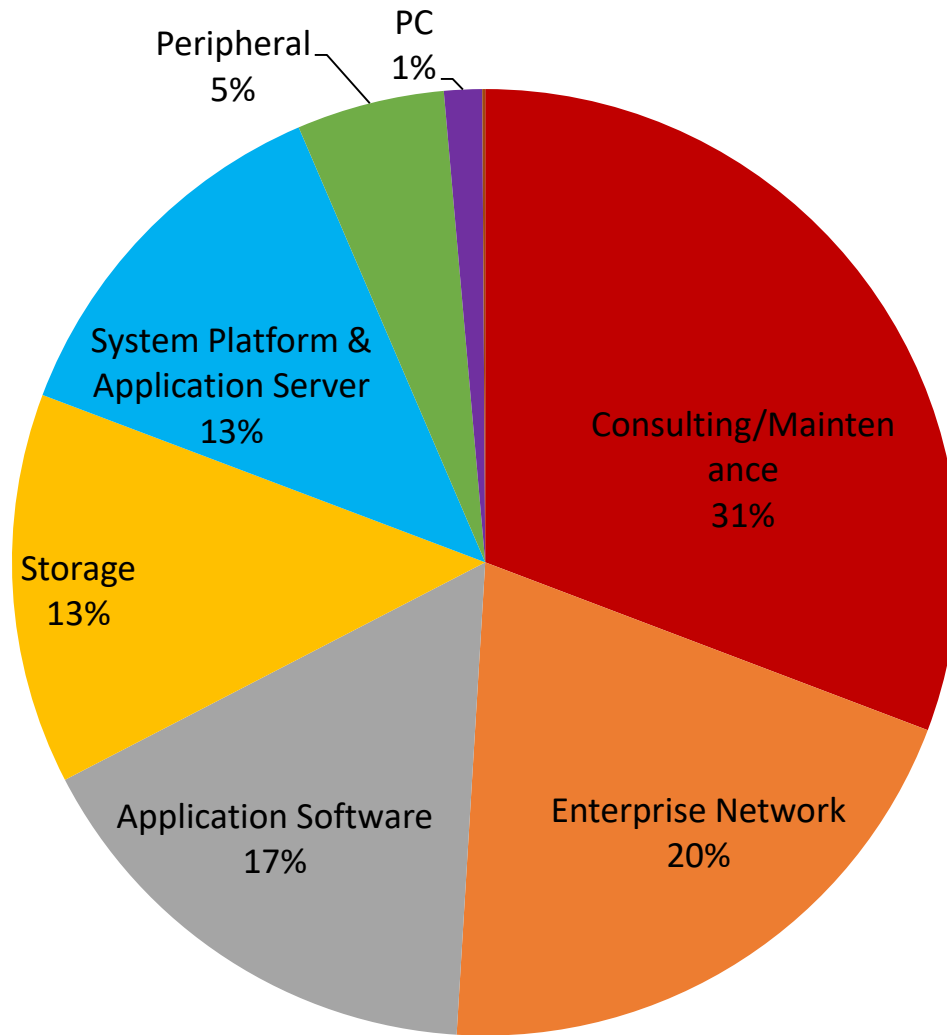
Allocation of transaction price into unfulfilled contractual obligations

Units: NT\$ thousand



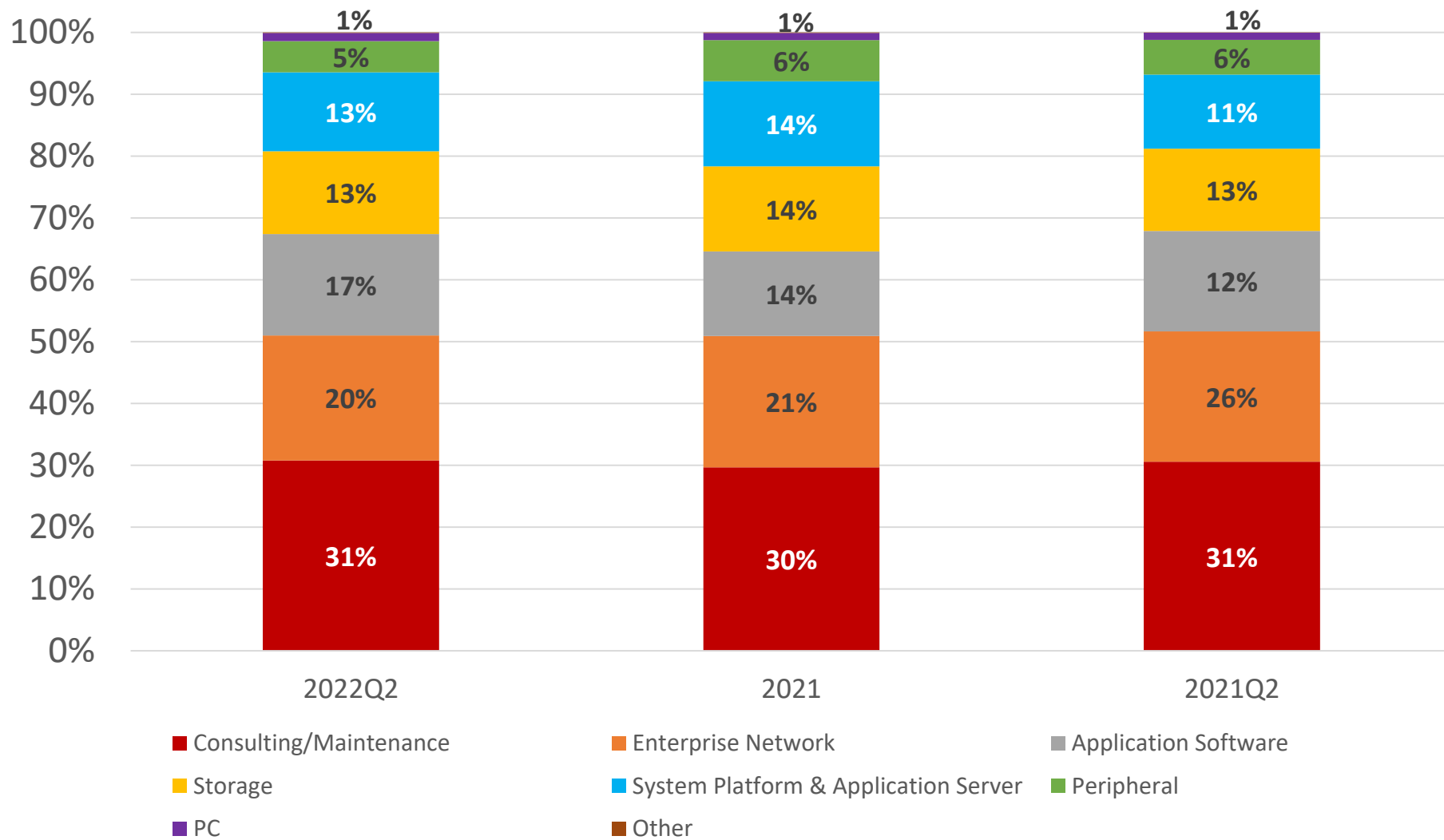
	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2
Allocation of transaction price into unfulfilled contractual obligations	4,513,783	4,469,378	5,056,884	5,260,427	5,363,829	5,470,427	6,070,815	5,931,886
Estimated Fulfill Ratio of 2020/2021/2022	28.54%	88.54%	84.53%	65.56%	36.13%	69.29%	64.16%	48.44%
Estimated Fulfill Amount of 2020/2021/2022	1,288,234	3,957,187	4,274,584	3,448,736	1,937,951	3,790,459	3,895,035	2,873,406
Estimated Fulfill Amount After 2021/2022/2023	3,225,549	512,191	782,300	1,811,691	3,425,878	1,679,968	2,175,780	3,058,480

2022Q2 Sales Revenues by Type

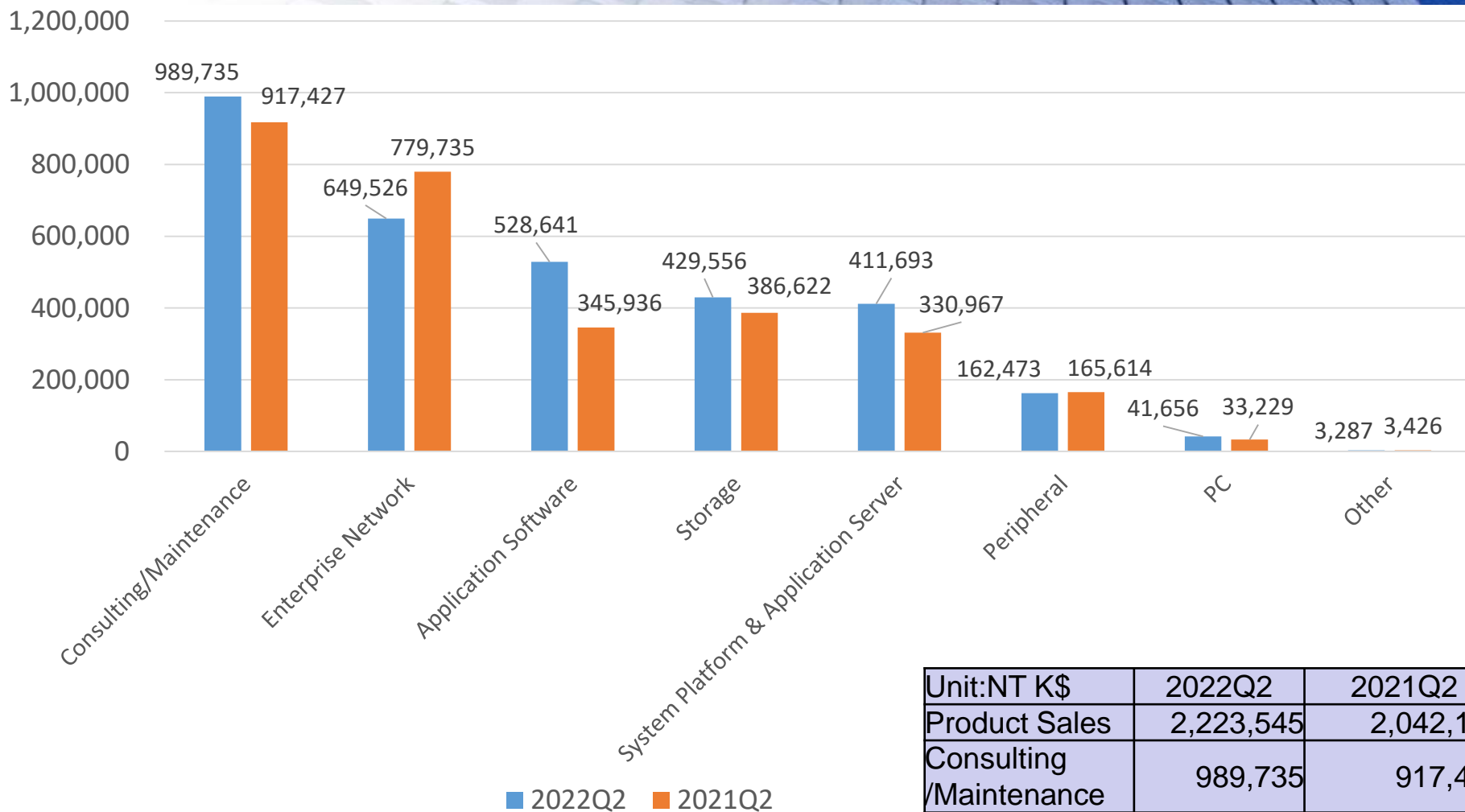


Revenue:3.217billion

Comparison of Sales Revenues by Type



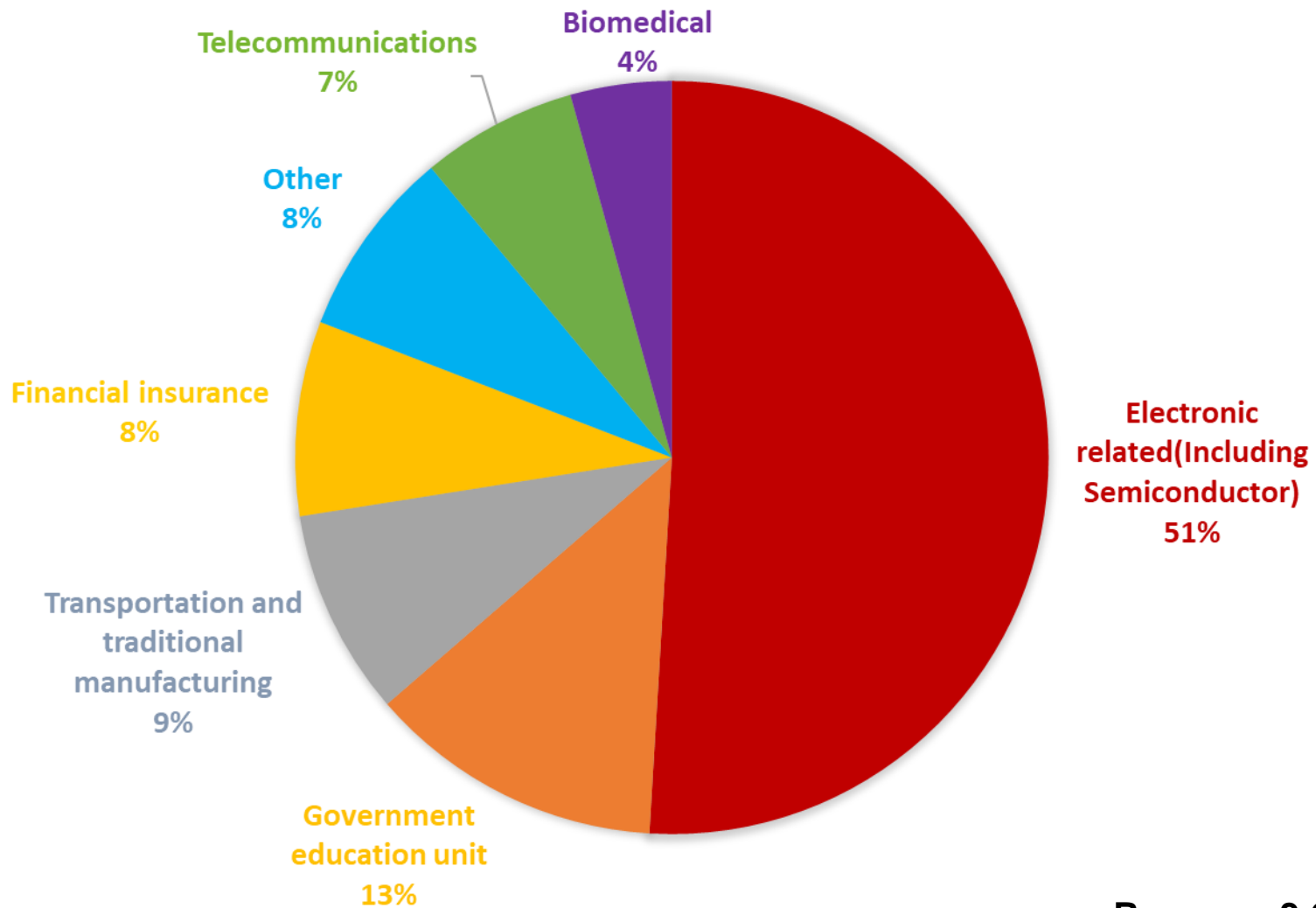
Compare Sales Revenues by Type



Revenue: 3.217billion Revenue: 2.963billion

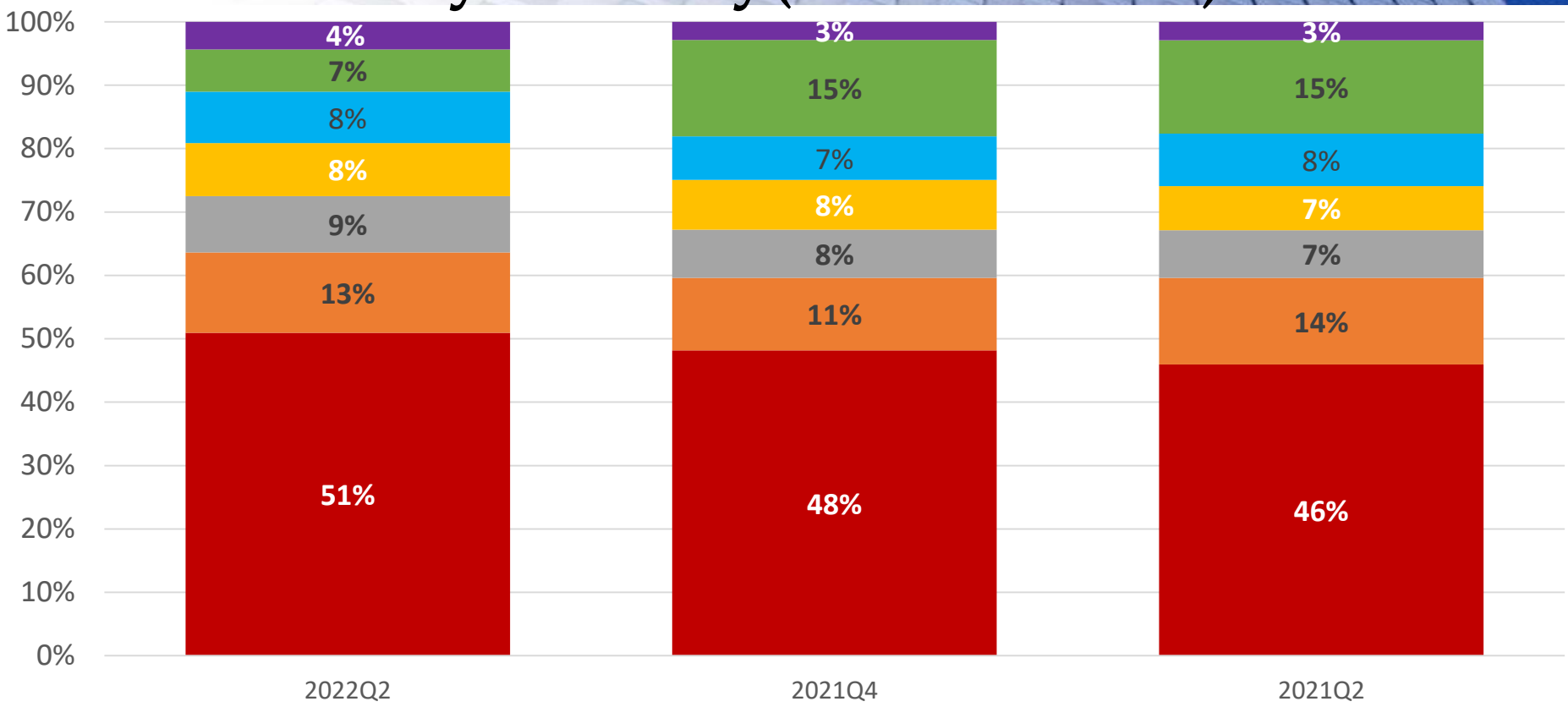
Unit:NT K\$	2022Q2	2021Q2
Product Sales	2,223,545	2,042,104
Consulting/Maintenance	989,735	917,427
Other	3,287	3,426
Total	3,216,567	2,962,957

2022Q2 Sales Revenues by Industry



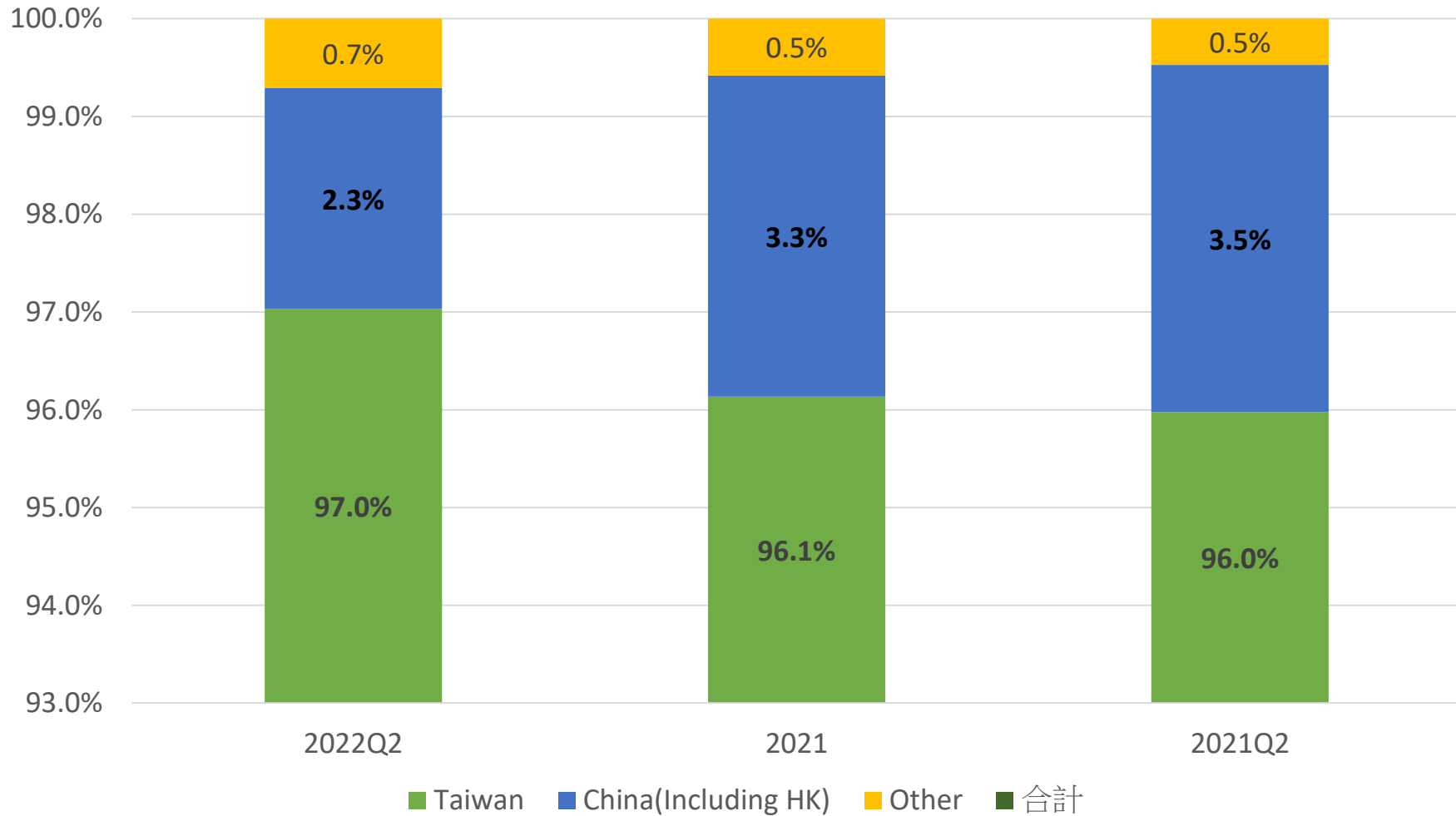
Revenue: 3.217 billion

Comparison of Sales Revenues by Industry(Accumulated)



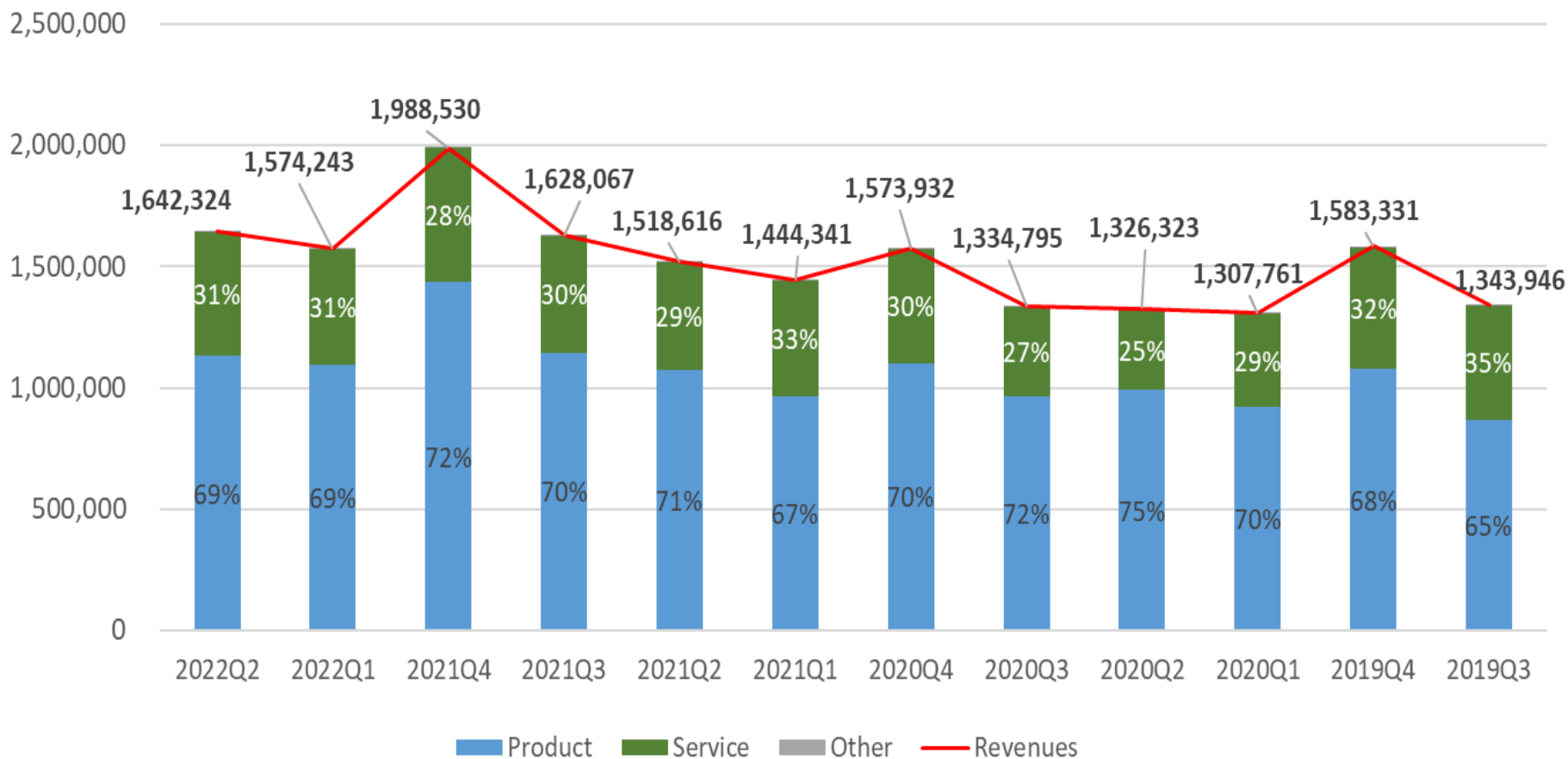
- Electronic related(Including Semiconductor)
- Government education unit
- Transportation and traditional manufacturing
- Financial insurance
- Other
- Telecommunications
- Biomedical


Comparison of Sales Revenues by Region(Accumulated)



Quarterly revenue status

Units:NT\$
thousand





Q & A
Thank you!!



Stark Technology Inc.
敦陽科技股份有限公司