

Stark Technology Inc.(2480)

2022Q4 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

- ❑ **Fubon Financial Holdings was named "Sustainable Performance Excellent Supplier" in 2022**
- ❑ **Chunghwa Telecom "Gold Level Certified in accordance with the Chunghwa Telecom Supply Chain Sustainability Qualifications" in 2022**
- ❑ **Awarded the 2021 Supplier Conference "Hand in Hand with Sustainability Pioneer-Best Partner" award by Far EastTone Telecom**
- ❑ **2020 "Enterprise Human Resource Improvement Plan" by the Taozhumiao Branch of the Labor Development Agency of the Ministry of Labor**

Awards

❑ System Products

【DELL】FY22 Platinum Partner of the Year Award

【IBM】FY21 BEST Storage Systems Selling

【HPE】FY22 Best partner Award

【HPE】FY22 Excellent distribution partner

【Cisco】Cisco-FY22 Reseller of the Year



Awards(Continued)

Storage Products

【NetApp】FY22 Best partner Award

【VEEAM】FY21 Platinum Partner of the Year Award

【Hitachi Vantara】F21 Reseller of the Year

【FUJITSU】2022 Most Valuable Partner

【VMware】2022-VMware Excellent partner in the central and southern markets



Awards(Continued)

Info. Security/ Data comm. Products

【F5】FY21 Best Information Security Contribution

【Fortinet】FY21 Excellence Award

【Palo Alto】FY22 Most Valuable Reseller

【MicroFocus】FY21 Outstanding Contribution Award

【Ruckus】2021 Best ICT Solution Guru

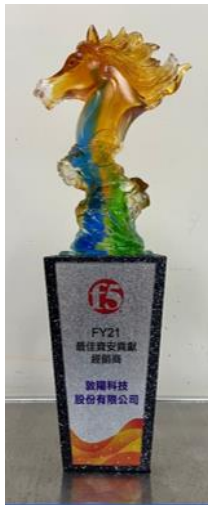
【Ruckus】2021 RUCKUS CLOUD_Ruckus ANALYTIC SPECIALIST

【Cisco】Cisco-FY22 Reseller of the Year

【Aruba】FY22 HPE Aruba Champion partner of the Year

【TEAM T5】2022 Best sales partner

【Fortinet】2022 Best Horse Award



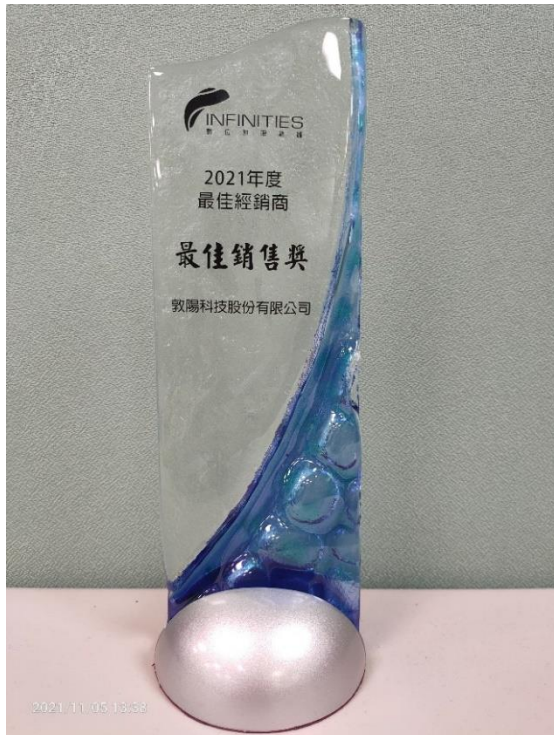
Awards(Continued)

□ Other Products

【INFINITIES】 FY21 Beat Distributor of the Year. Best Sales Award

【NUTANIX】 FY22 New Logo Focus Reseller of the Year

【NUTANIX】 FY22 Best Reseller of the Year



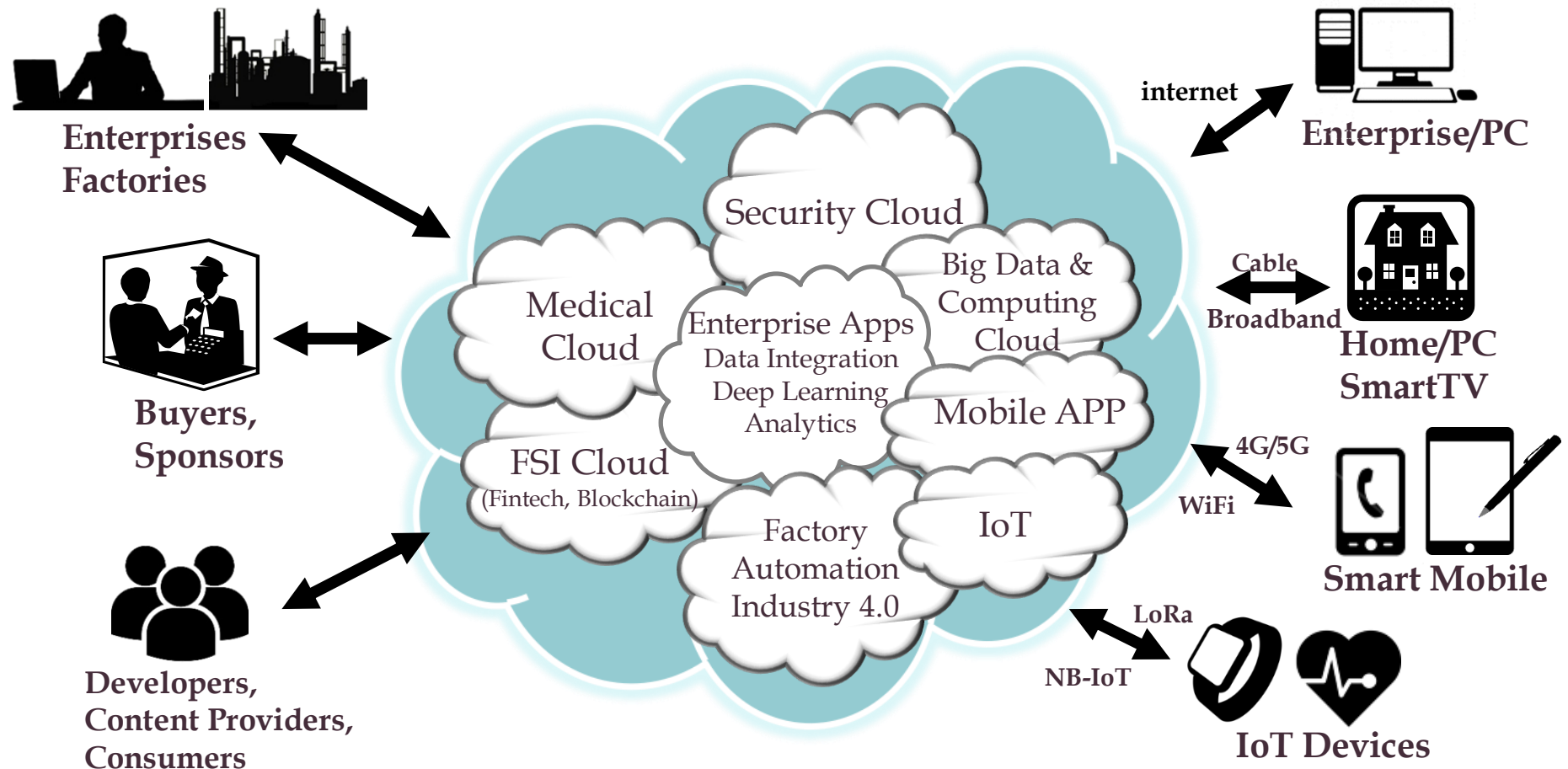
STI Service Network



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 involved & worked on:



Inter-connect : Telecomm 、 Broadband/Cable 、 Internet

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

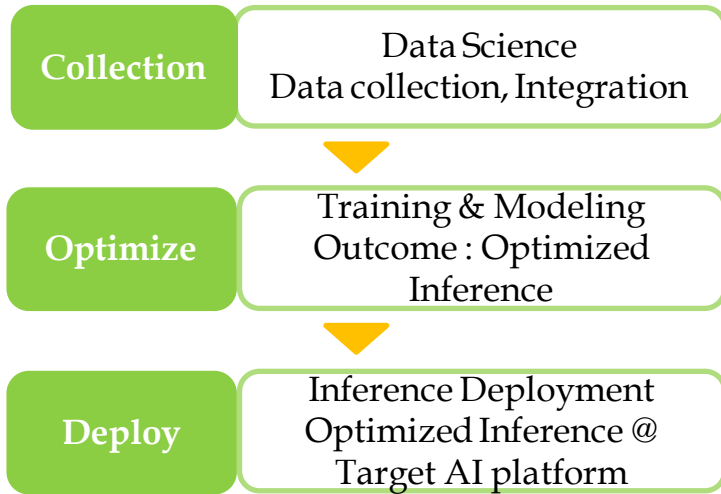
System & Platform *Resource Mgmt (CPU/GPU/VM/Container/Bare Metal)*

Networking *Platform* *Load Balancing* *Network Mgmt*

AI(Machine · Deep Learning)



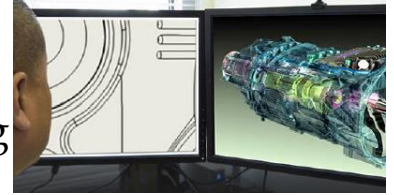
Customer Requirements



Highlights

Post Pandemic

WFH : Secure access
Backend AI processing
power via VDI



Industrial Application

Leveraging AI platform to
improve productivity and yield



Industry-Academia Alliance

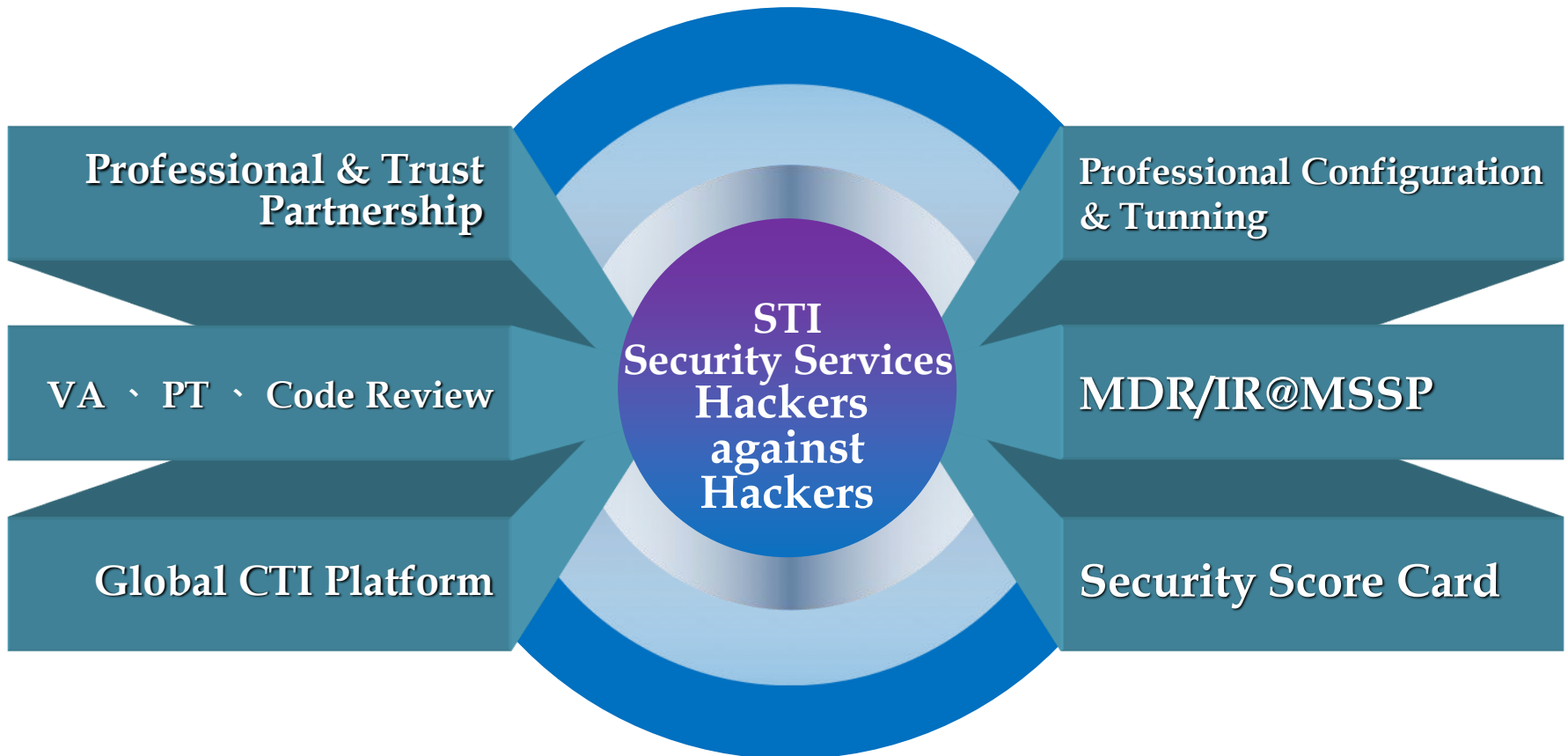
Academic Alliance to
redefine enterprise AI
smart technology



Stark Technology Inc.

- ✓ NVIDIA Elite Partner
- ✓ AI Platform Solution Provider

Information Security



MSSP Architecture

Security Cloud Services

Security Access
Service Edge
(SASE)

API Security

Security Score
Card

Global CTI
Platform

Professional & Proactive Security Risk Investigation & Threat Analysis Services

VA

PT

Code Review

MDR

IR

In Depth & customized on Devices/Services tuning & configuration

Network
Security

System
Security

Apps.
Security

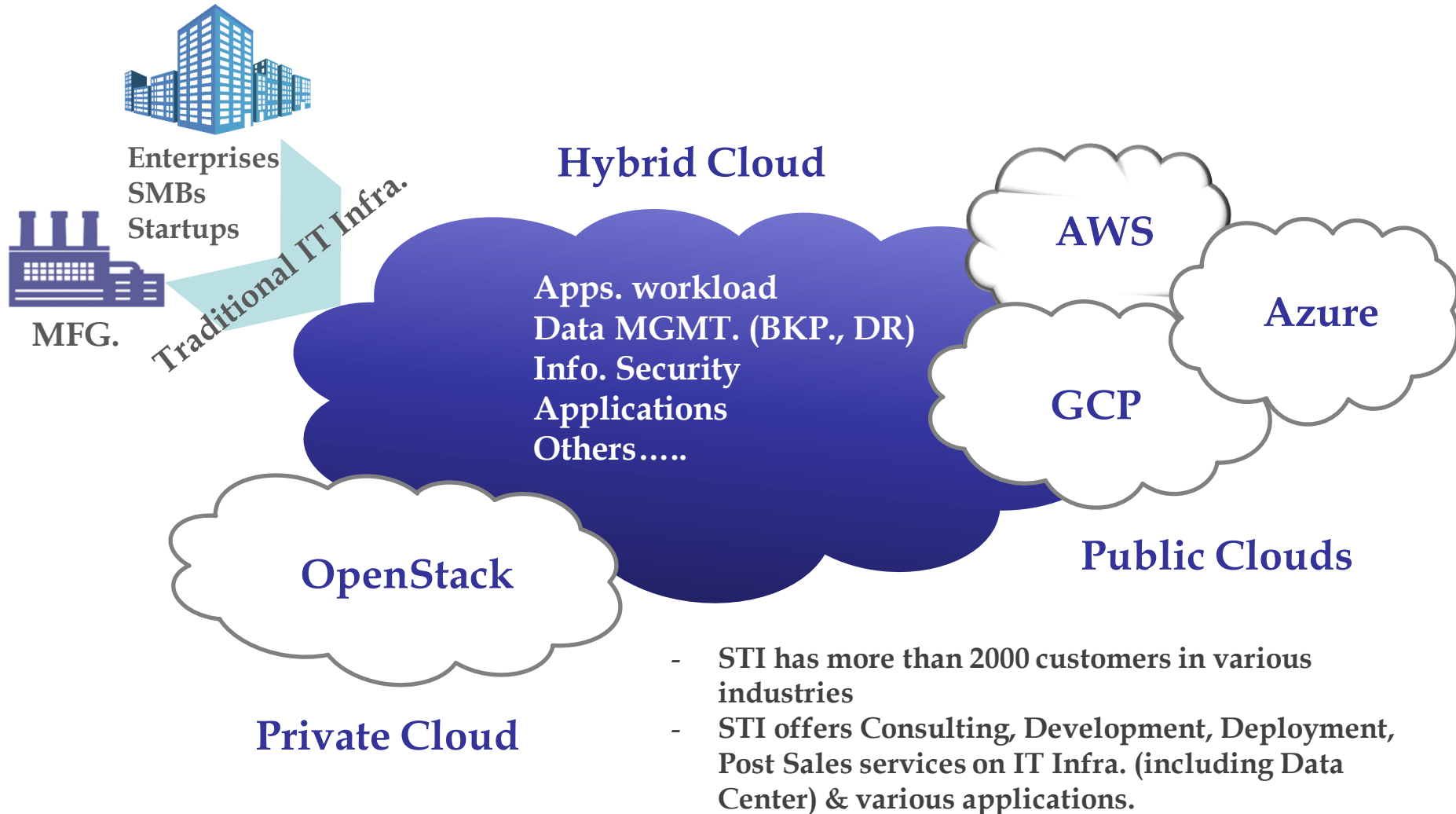
Endpoint
Security

Data
Security

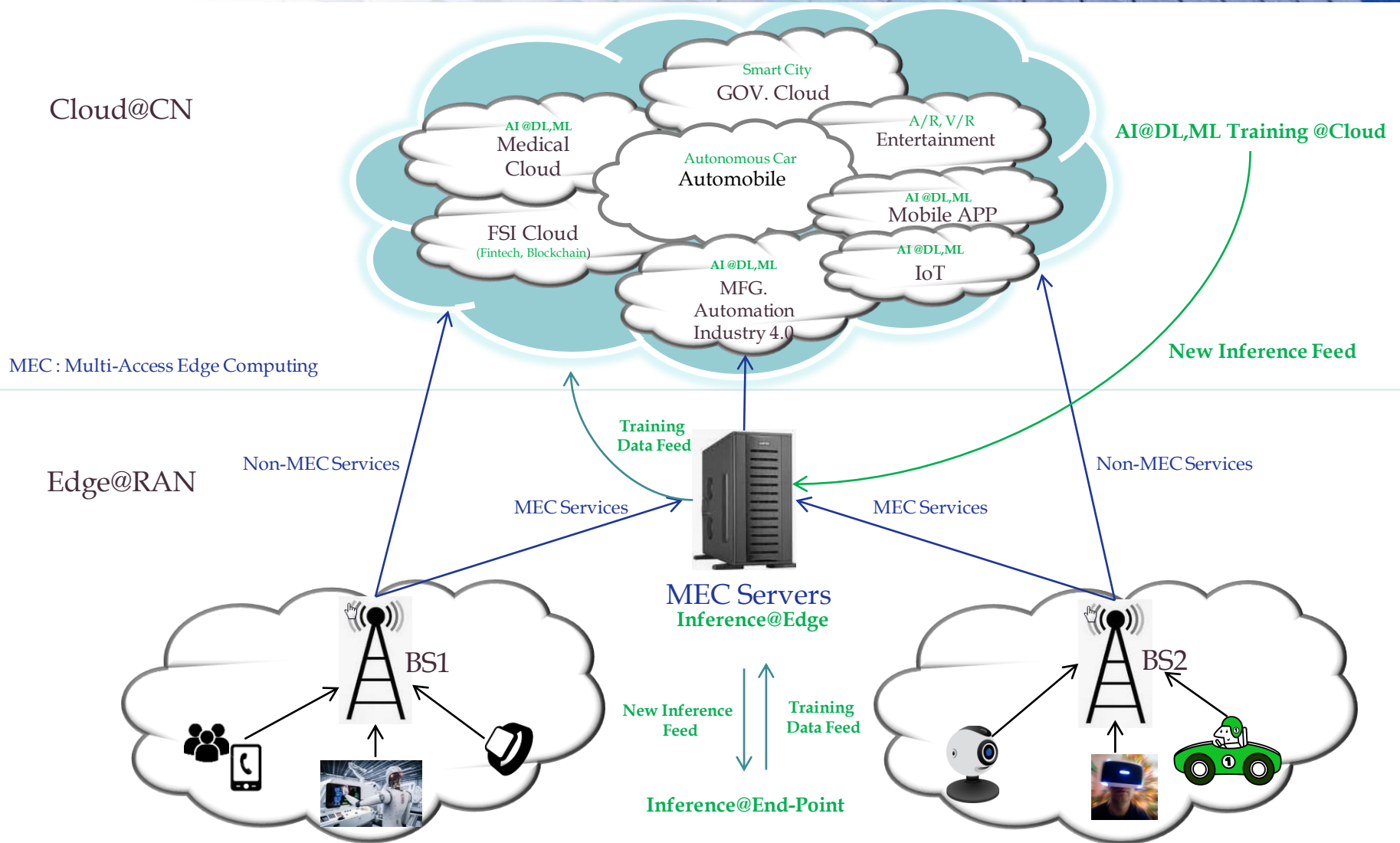
Mobile
Security

IT Infra. (Network、OS、Storage....)

STI's Strength on Hybrid Cloud



Meet up 5G + MEC@AI@Cloud



Products & Solutions

Info. Security



Software Development Tools



Resource MGMT.



Data MGMT.



Data Comm.



Open Systems



Telcomm.



Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

ITEM	2022/12/31		2021/12/31		2020/12/31	
	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,534,624	24%	1,450,910	25%	1,348,404	24%
Accounts receivable(including contract assets)	893,949	14%	962,617	17%	1,108,125	20%
Inventories	2,530,729	39%	1,991,209	34%	1,957,859	34%
Property,Plant and equipment	440,151	7%	446,238	8%	453,651	8%
Total Assets	6,508,298	100%	5,786,869	100%	5,743,047	100%
Current Liabilities	3,274,528	50%	2,665,481	46%	2,807,884	49%
Total Liabilities	3,382,971	52%	2,766,996	48%	2,914,035	51%
Equity	3,125,327	48%	3,019,873	52%	2,829,012	49%

Source: Market Observation Post System

Income Statements Overview (Consolidated)

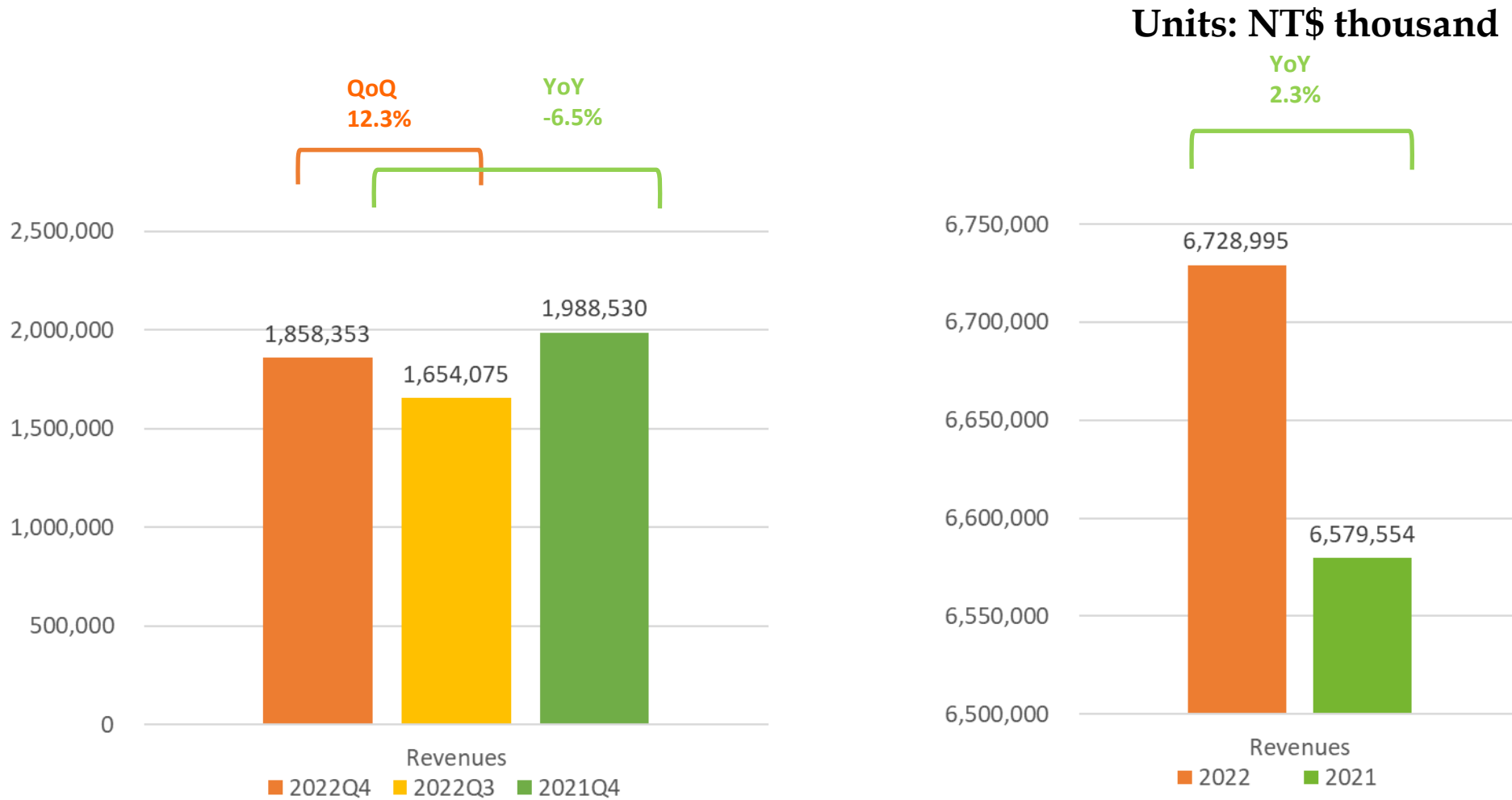
Units: NT\$ thousand

Item	2022 Jan.-Dec.		2021 Jan.-Dec.		YOY
	AMT	%	AMT	%	
Revenues	6,728,995	100%	6,579,554	100%	2.3%
Gross profit	1,734,978	26%	1,598,636	24%	8.5%
Operating expense	931,366	14%	838,103	13%	11.1%
Operating income	803,612	12%	760,533	11%	5.7%
Other income	105,698	2%	37,814	1%	179.5%
Pre-tax income	909,310	14%	798,347	12%	13.9%
Net income	735,171	11%	638,162	10%	15.2%
EPS(NT\$)	6.91		6.00		15.2%

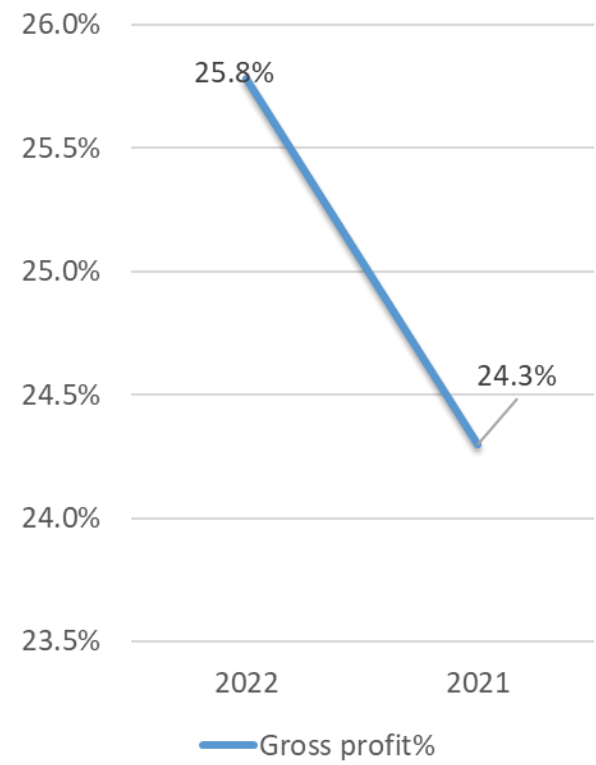
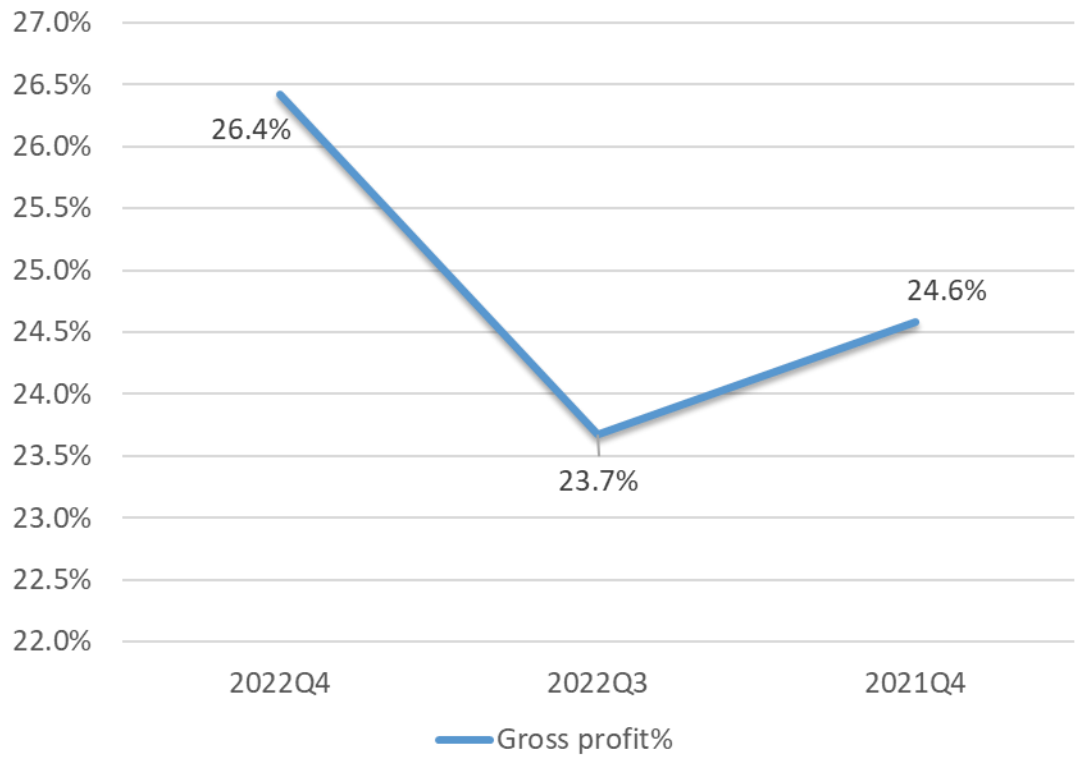
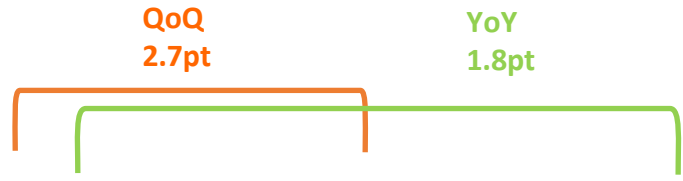
Source: Market Observation Post System

Note:China subsidiary's revenue of consolidated: 2022 2.6%;2021 3.0%

Consolidated Revenues



Consolidated Gross profit%

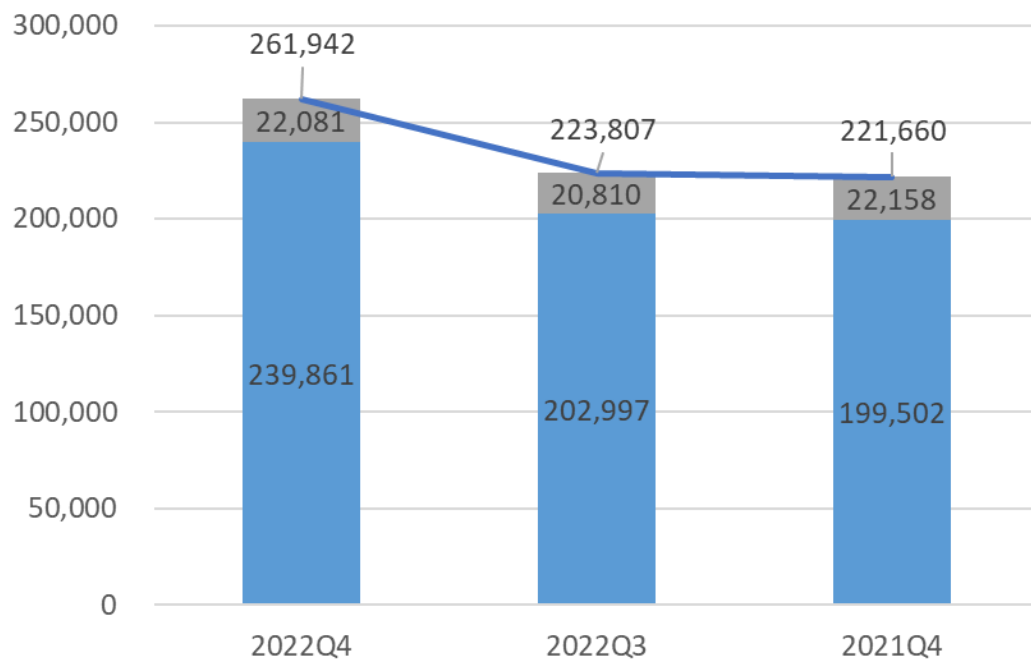


Consolidated Operating expenses

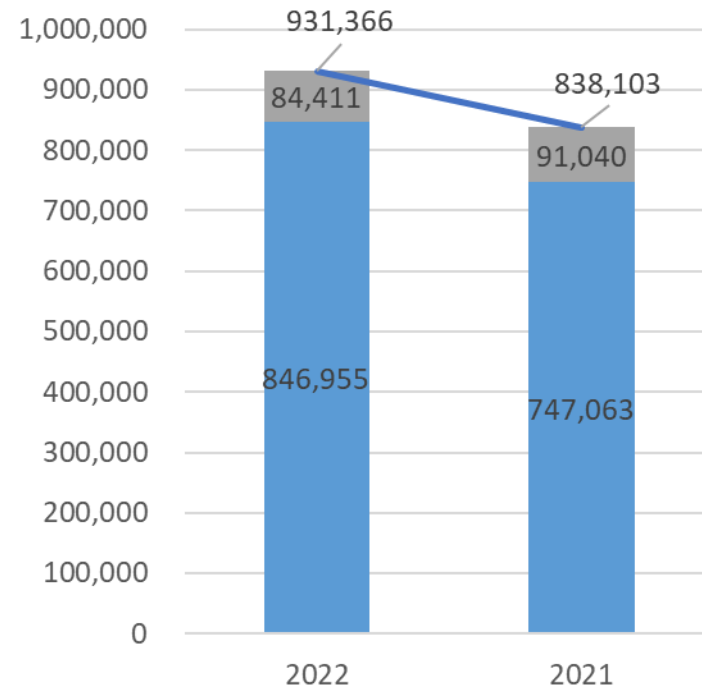
Units: NT\$ thousand

QoQ 17.0%
YoY 18.2%

YoY 11.1%



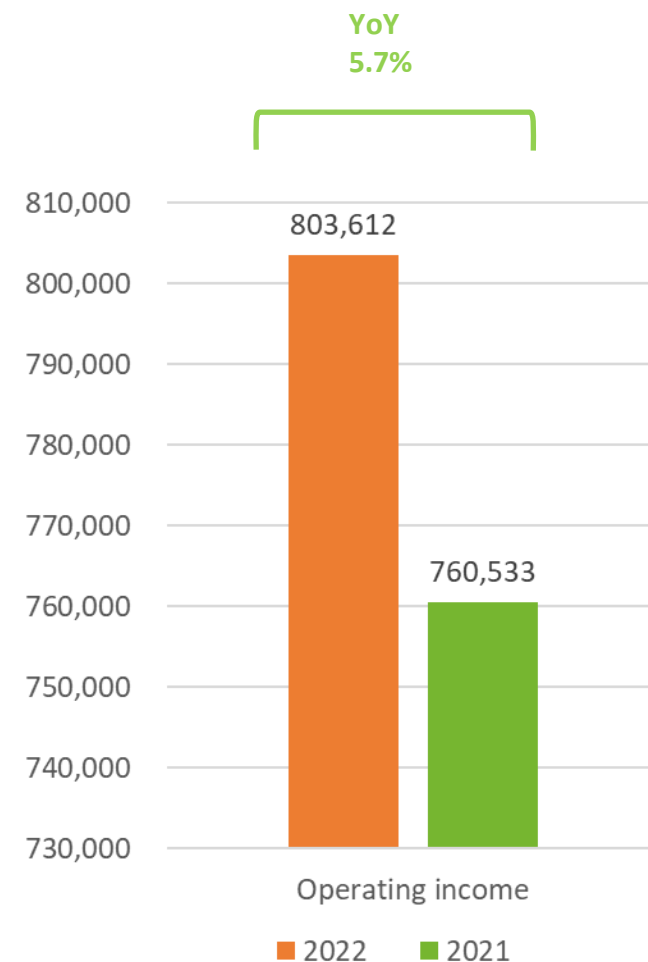
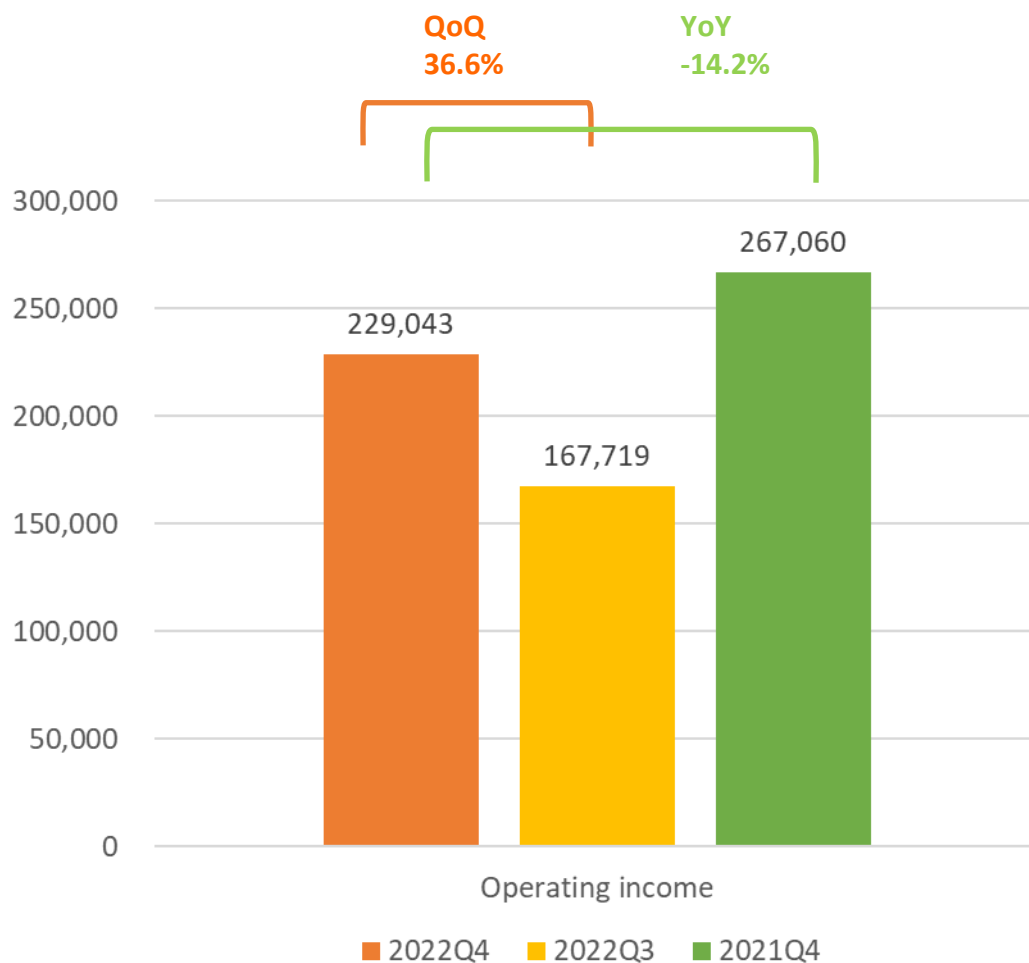
■ Research and development expenses
■ Administrative expenses
— Operating expenses



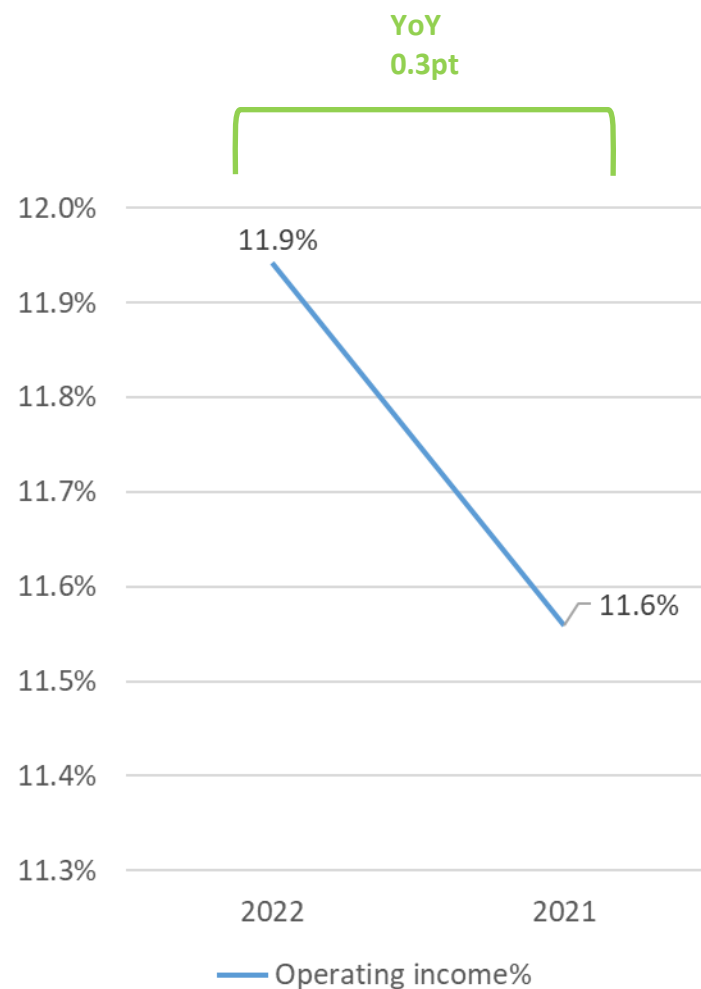
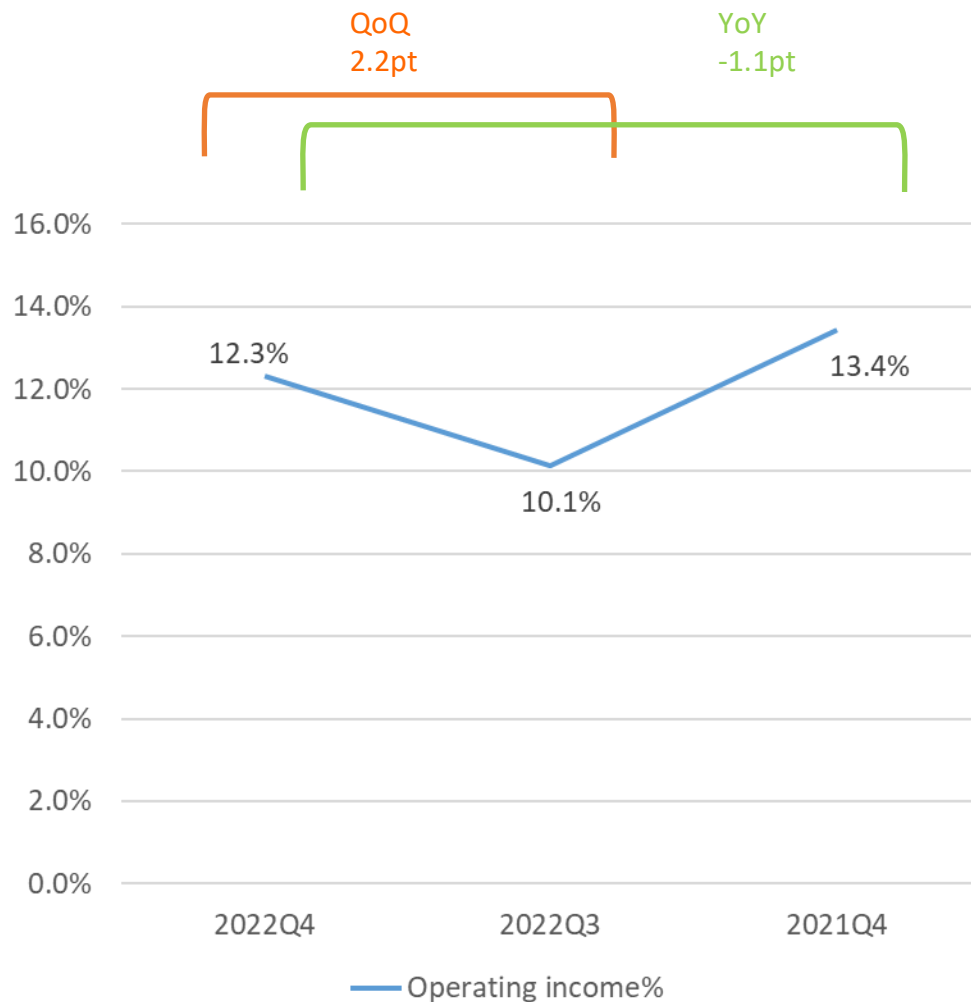
■ Research and development expenses
■ Administrative expenses
— Operating expenses

Consolidated Operating income

Units: NT\$ thousand

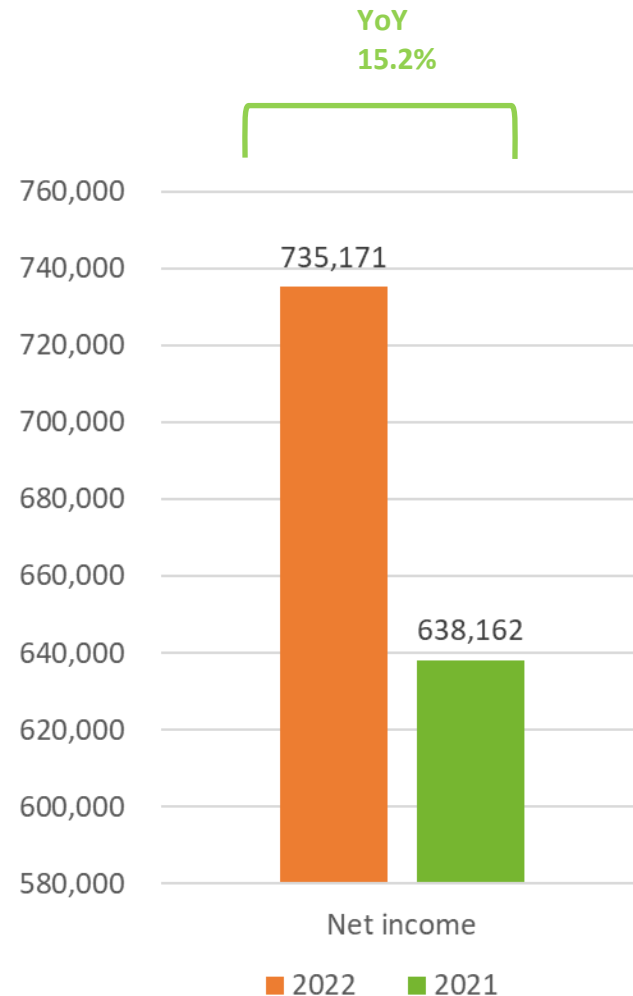
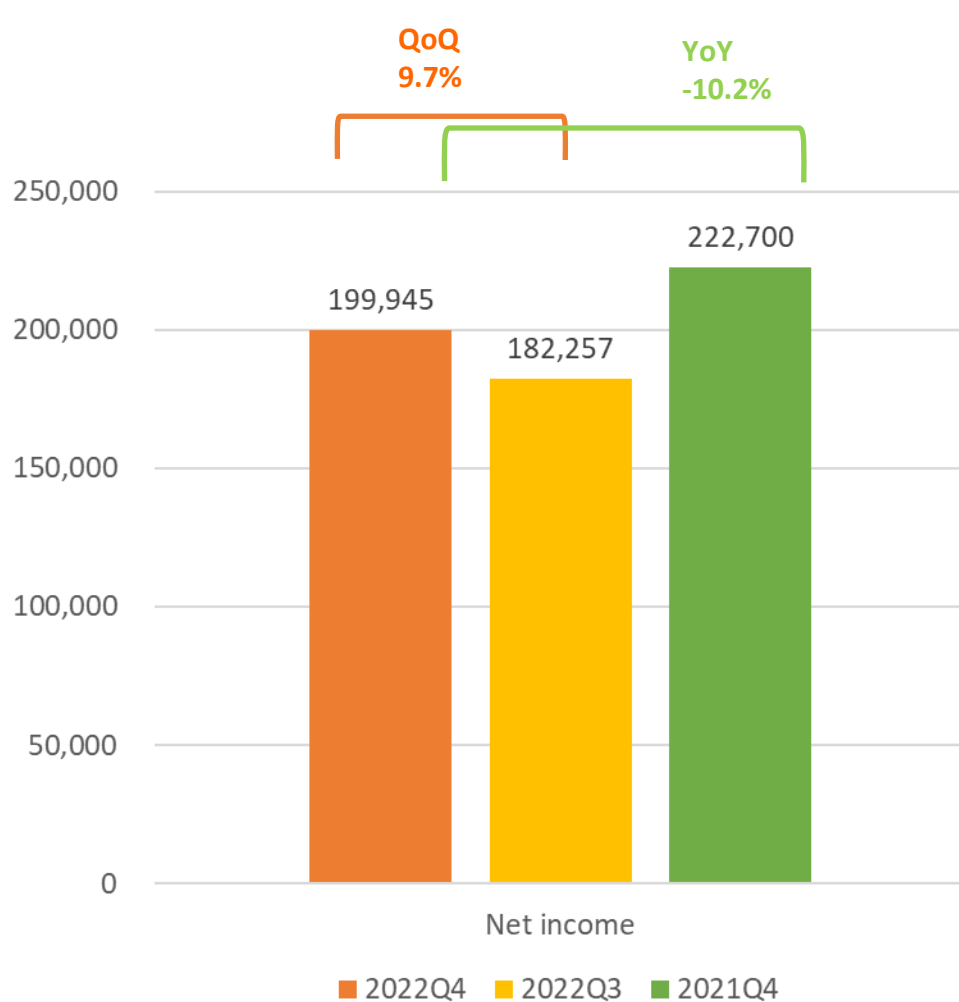


Consolidated Operating income⁰%

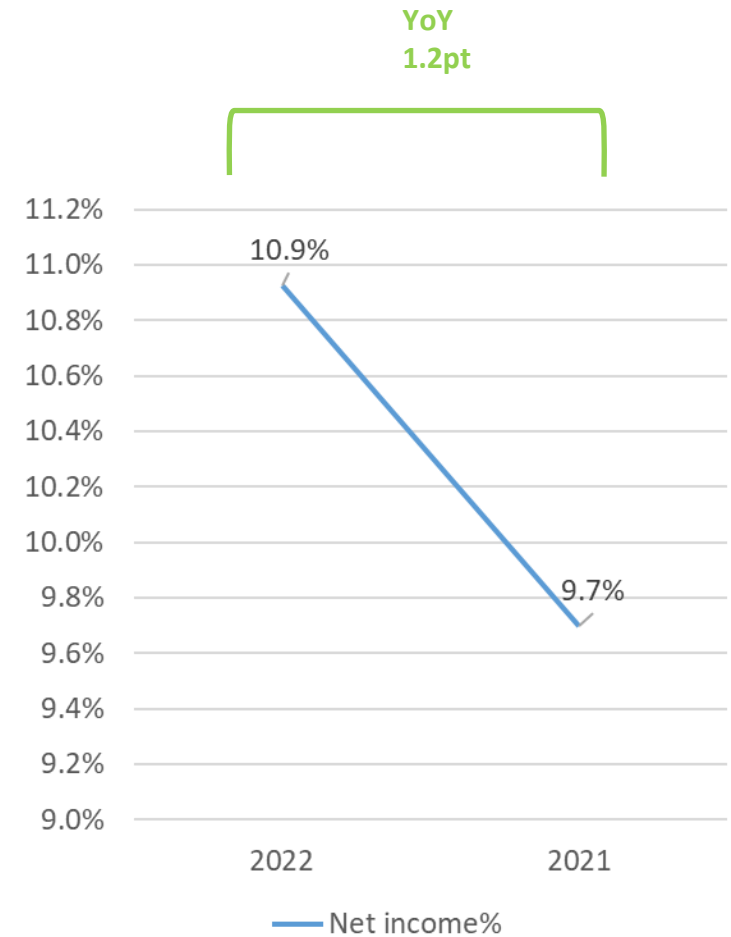
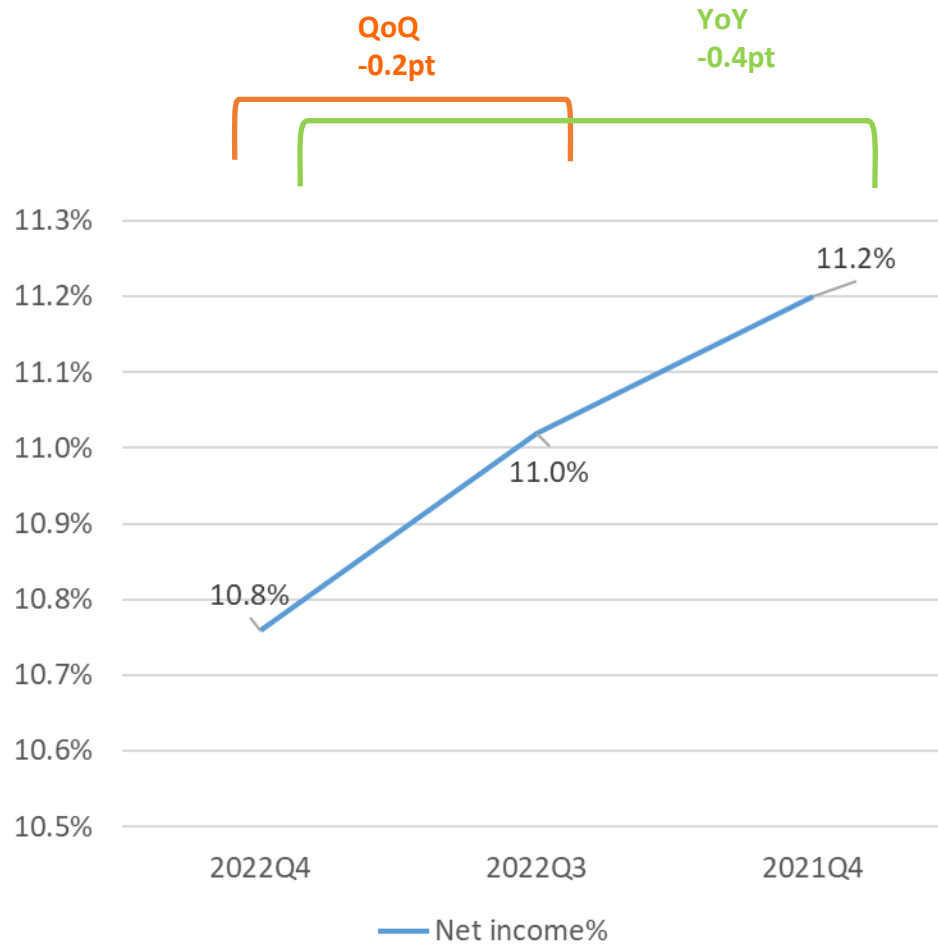


Consolidated Net income

Units: NT\$ thousand

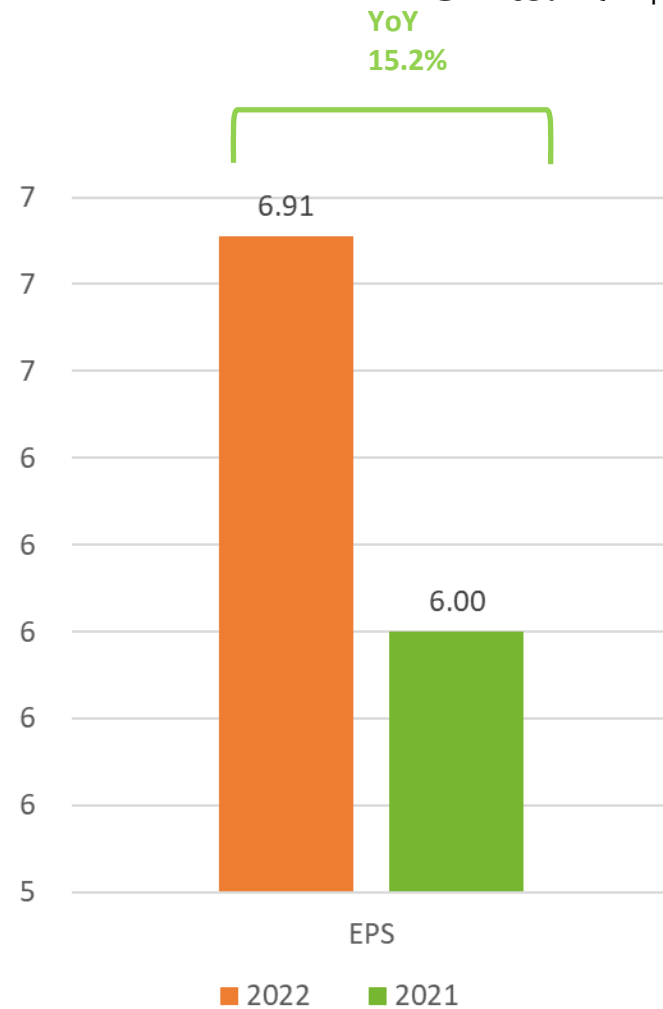


Consolidated Net income⁰%



Consolidated EPS

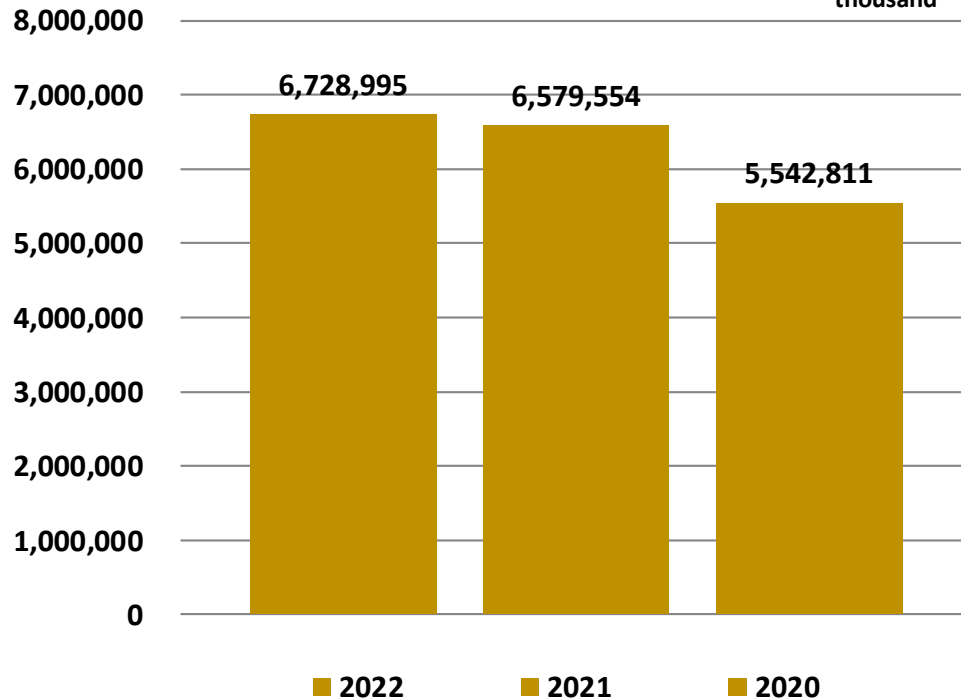
Units: NT\$



Sales Revenue & Net Income

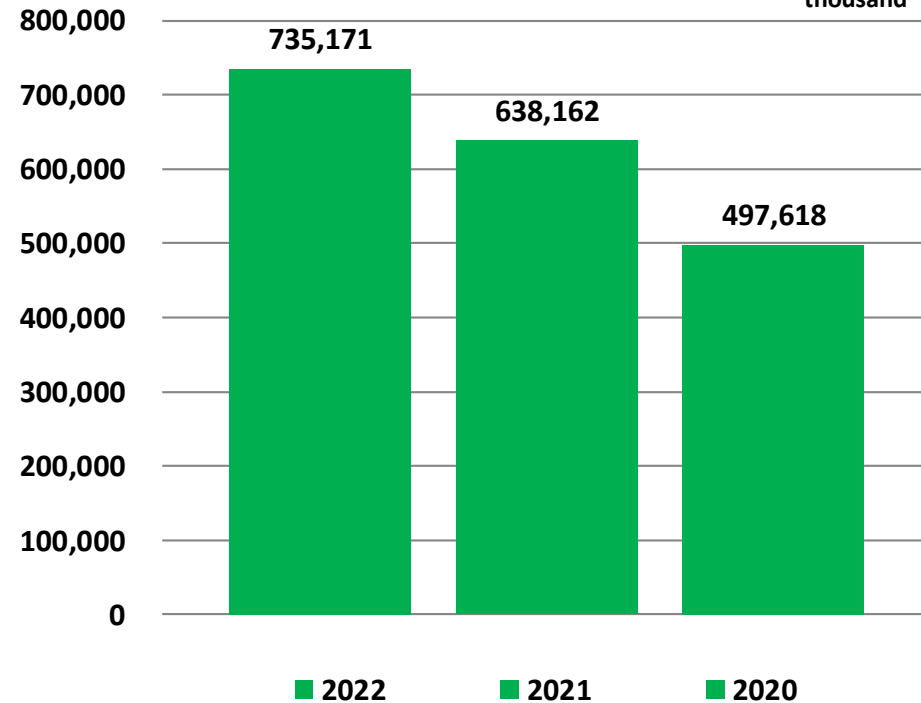
Sales Revenue

Units:NT\$
thousand

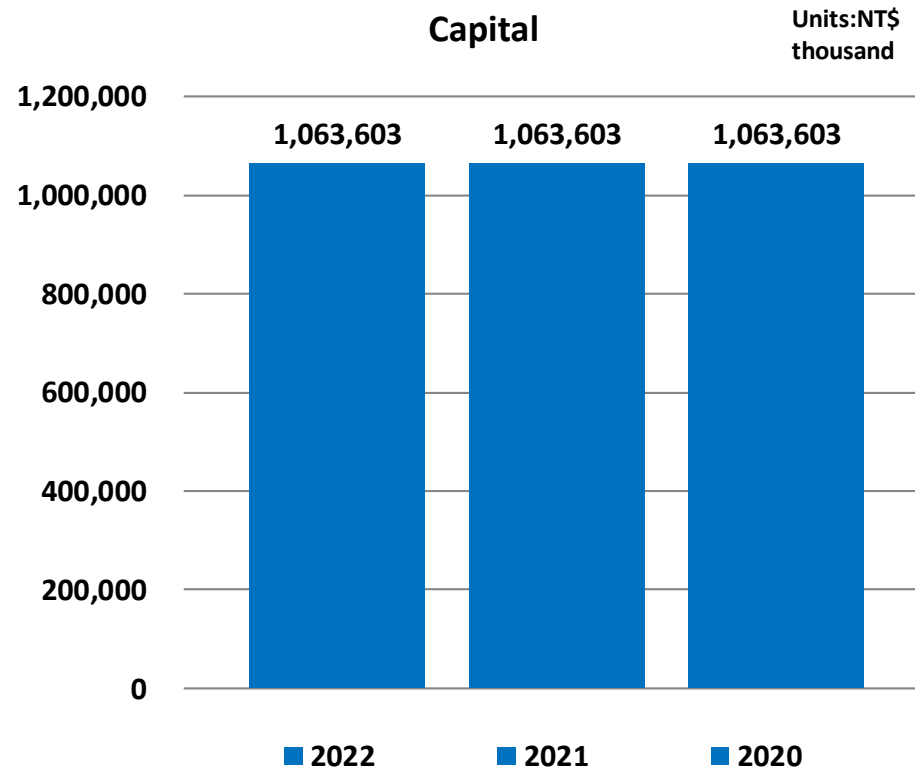
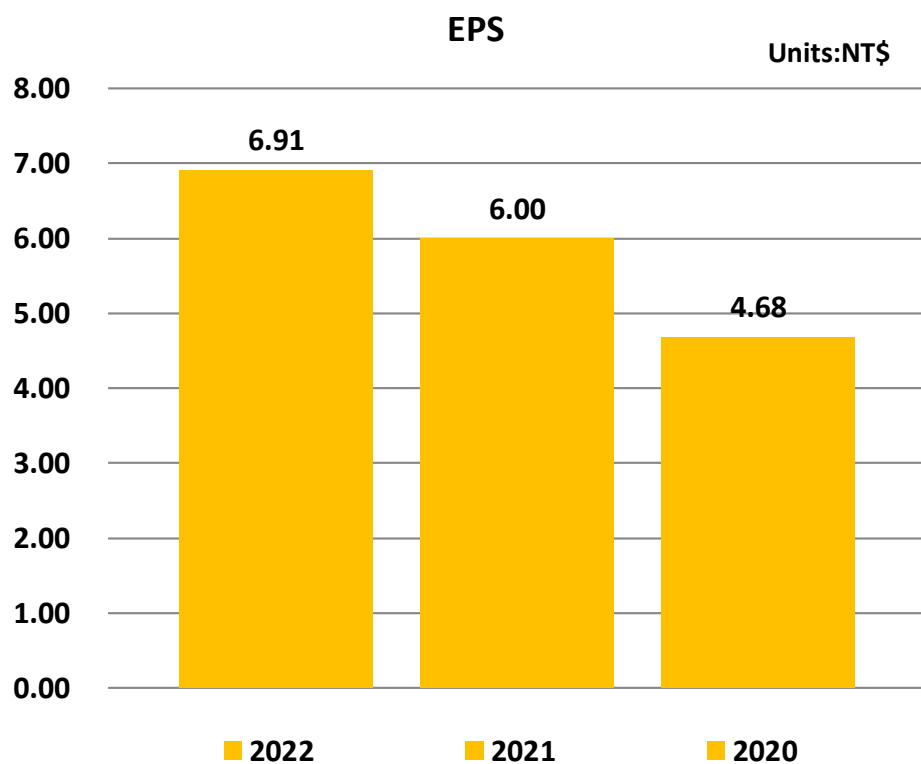


Net Income

Units:NT\$
thousand



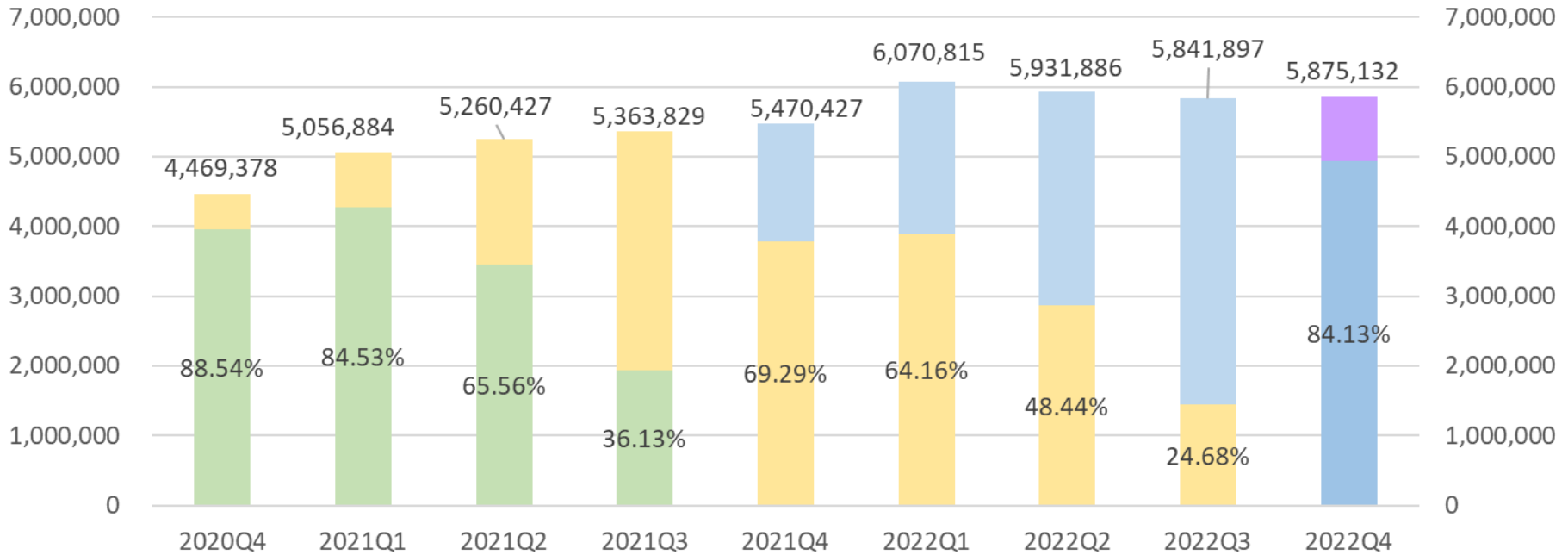
EPS & Capital



	2022	2021	2020
ROE	23.93	21.82	17.69

Allocation of transaction price into unfulfilled contractual obligations

Units: NT\$ thousand



	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
Allocation of transaction price into unfulfilled contractual obligations	4,469,378	5,056,884	5,260,427	5,363,829	5,470,427	6,070,815	5,931,886	5,841,897	5,875,132
Estimated Fulfill Ratio of 2021/2022/2023	88.54%	84.53%	65.56%	36.13%	69.29%	64.16%	48.44%	24.68%	84.13%
Estimated Fulfill Amount of 2021/2022/2023	3,957,187	4,274,584	3,448,736	1,937,951	3,790,459	3,895,035	2,873,406	1,441,780	4,942,749
Estimated Fulfill Amount After 2022/2023/2024	512,191	782,300	1,811,691	3,425,878	1,679,968	2,175,780	3,058,480	4,400,117	932,383

Dividends Policy

※ Dividends in recent years

Units:NT\$

Year	2022	2021	2020	2019	2018	2017	2016	2015
Amount	6.26	5.62	4.3	4.45	3.42	2.62	2.1	2

※ EPS in recent years

Units:NT\$

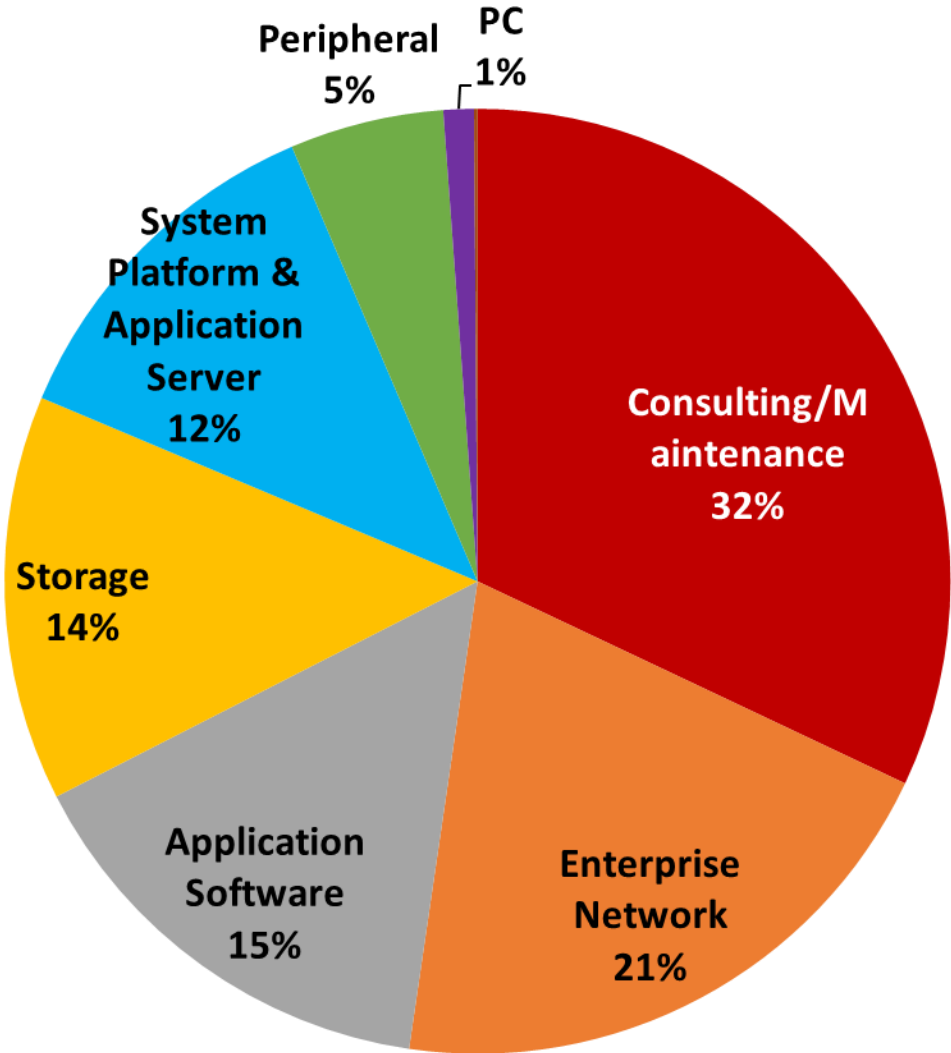
Year	2022	2021	2020	2019	2018	2017	2016	2015
Amount	6.91	6.0	4.68	4.2	3.8	2.56	2.25	2.02

※ Payout ratio in recent years

Units:%

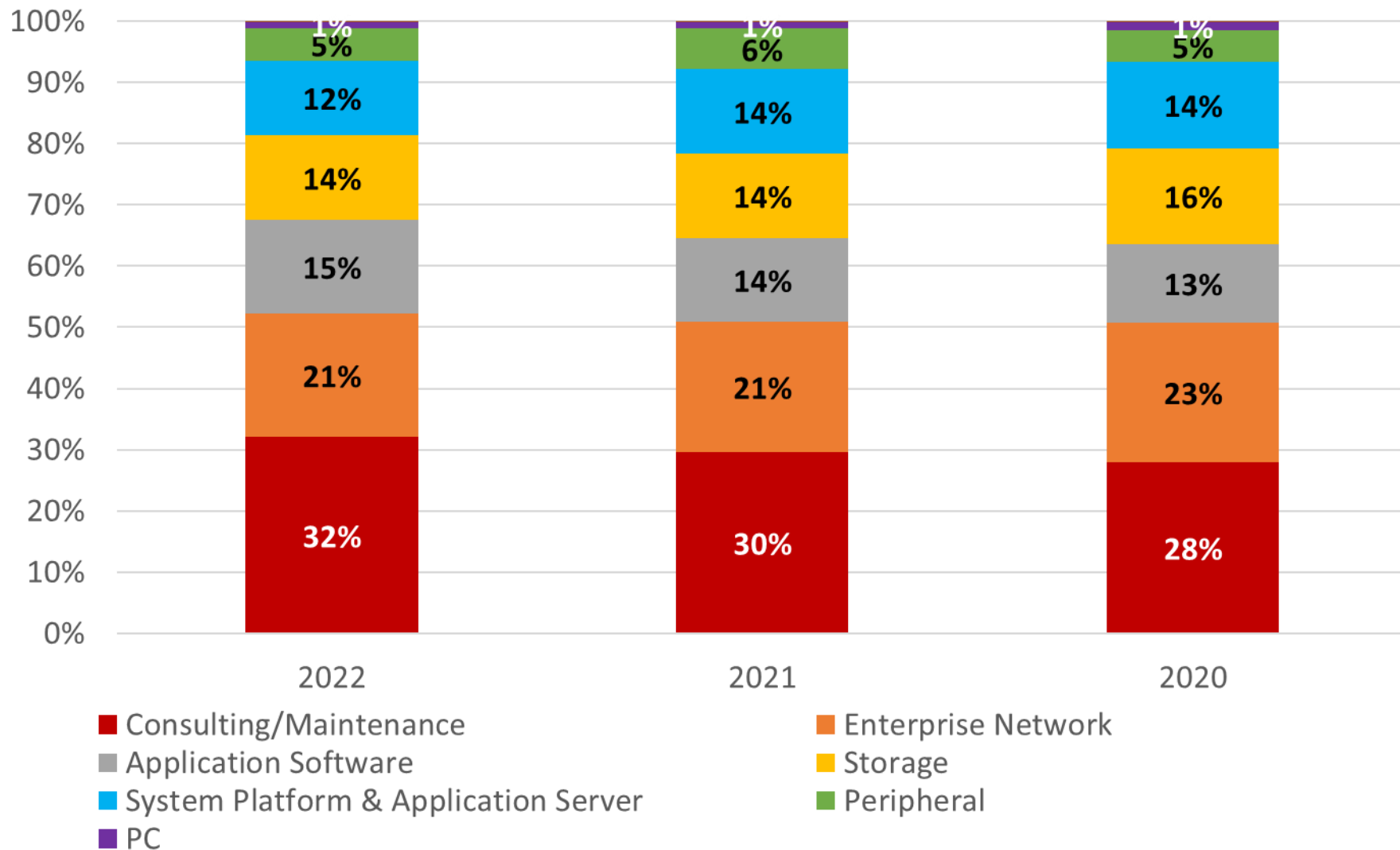
Year	2022	2021	2020	2019	2018	2017	2016	2015
Ratio	90.6%	93.7%	91.9%	106.0%	90.0%	102.3%	93.3%	99.0%

2022 Sales Revenues by Type

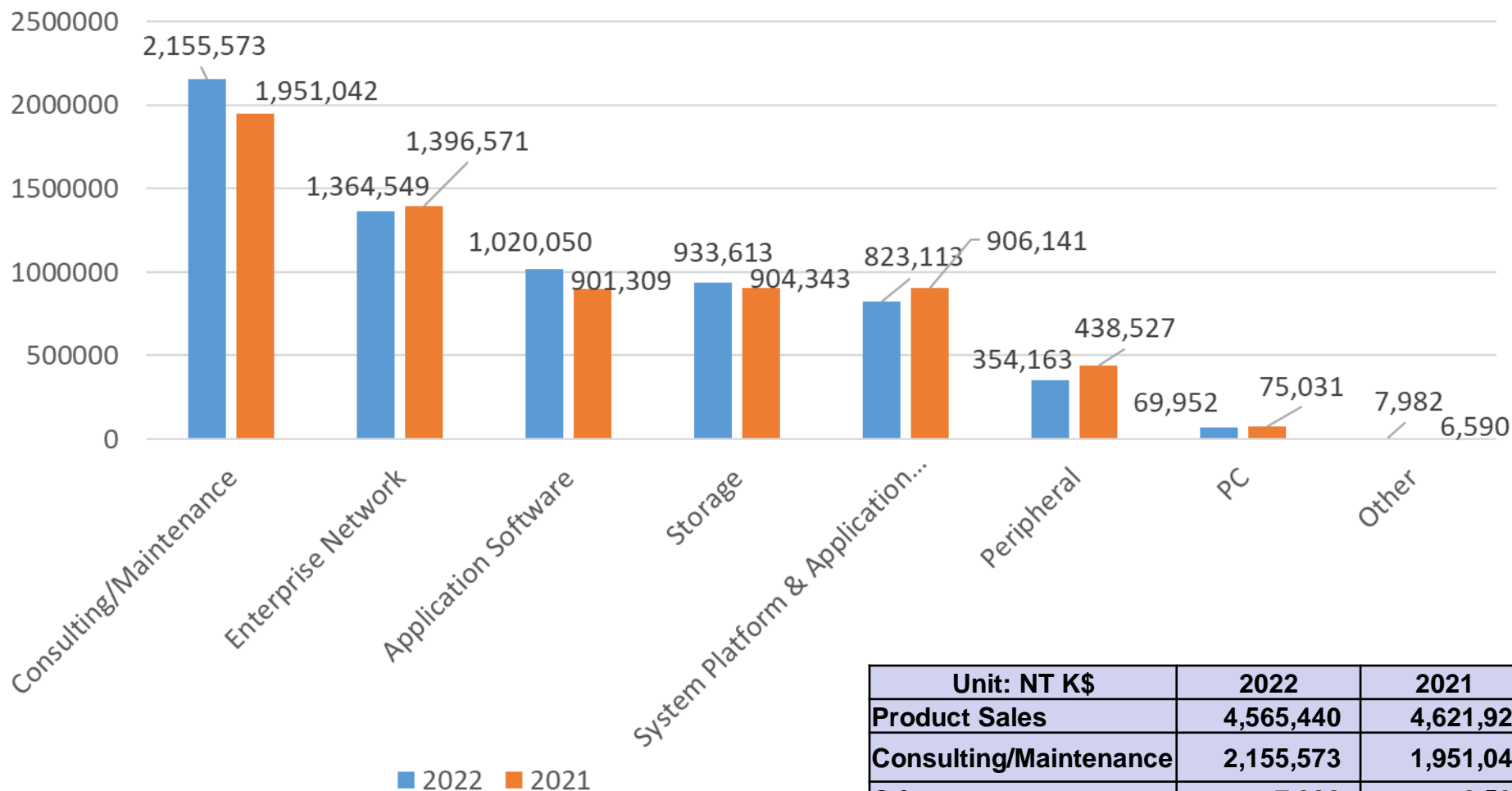


Revenue: 6.729 billion

Comparison of Sales Revenues by Type



Compare Sales Revenues by Type



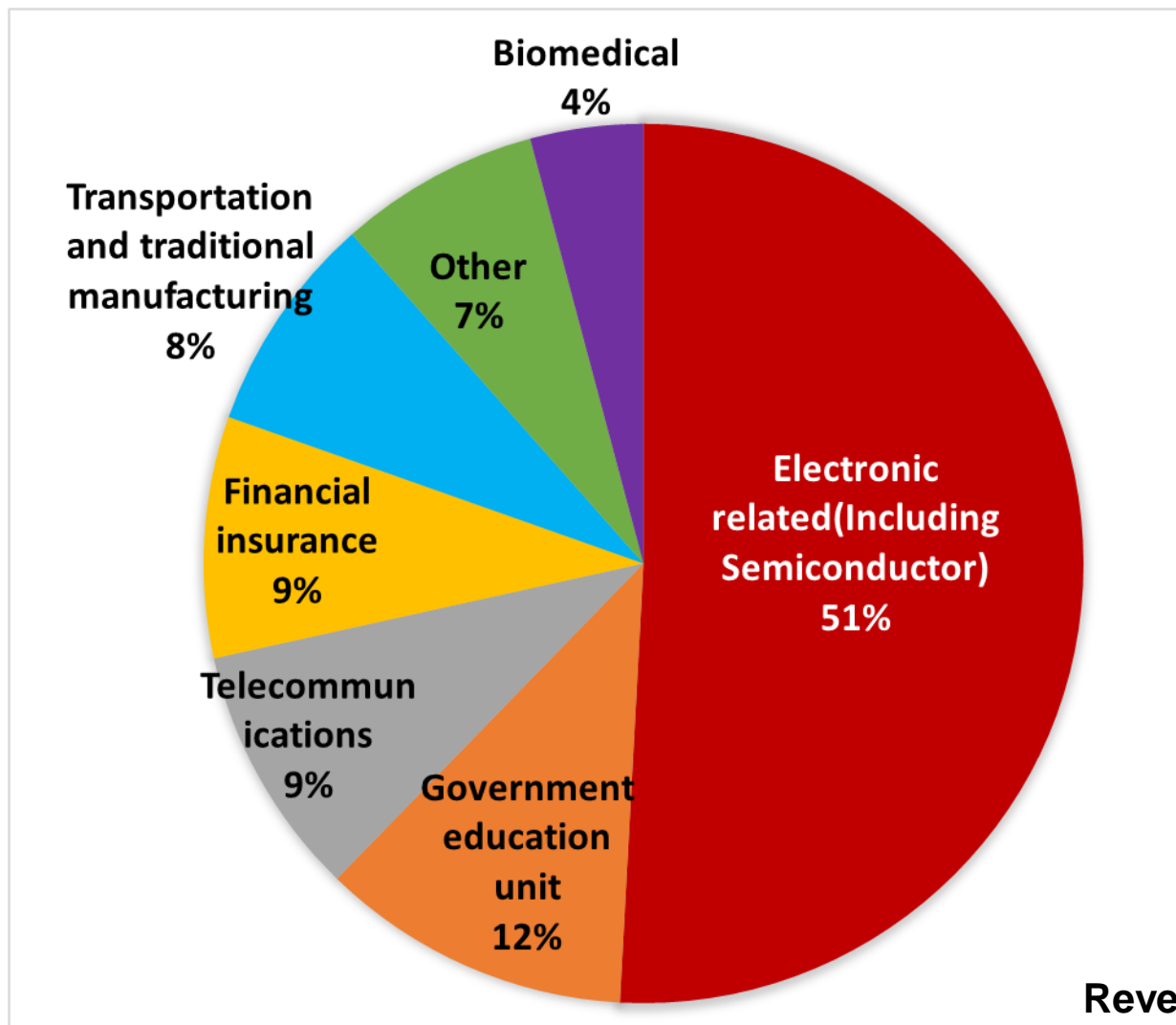
Revenue: 6.729 billion

Revenue: 6.580 billion

Unit: NT K\$	2022	2021
Product Sales	4,565,440	4,621,922
Consulting/Maintenance	2,155,573	1,951,042
Other	7,982	6,590
Total	6,728,995	6,579,554

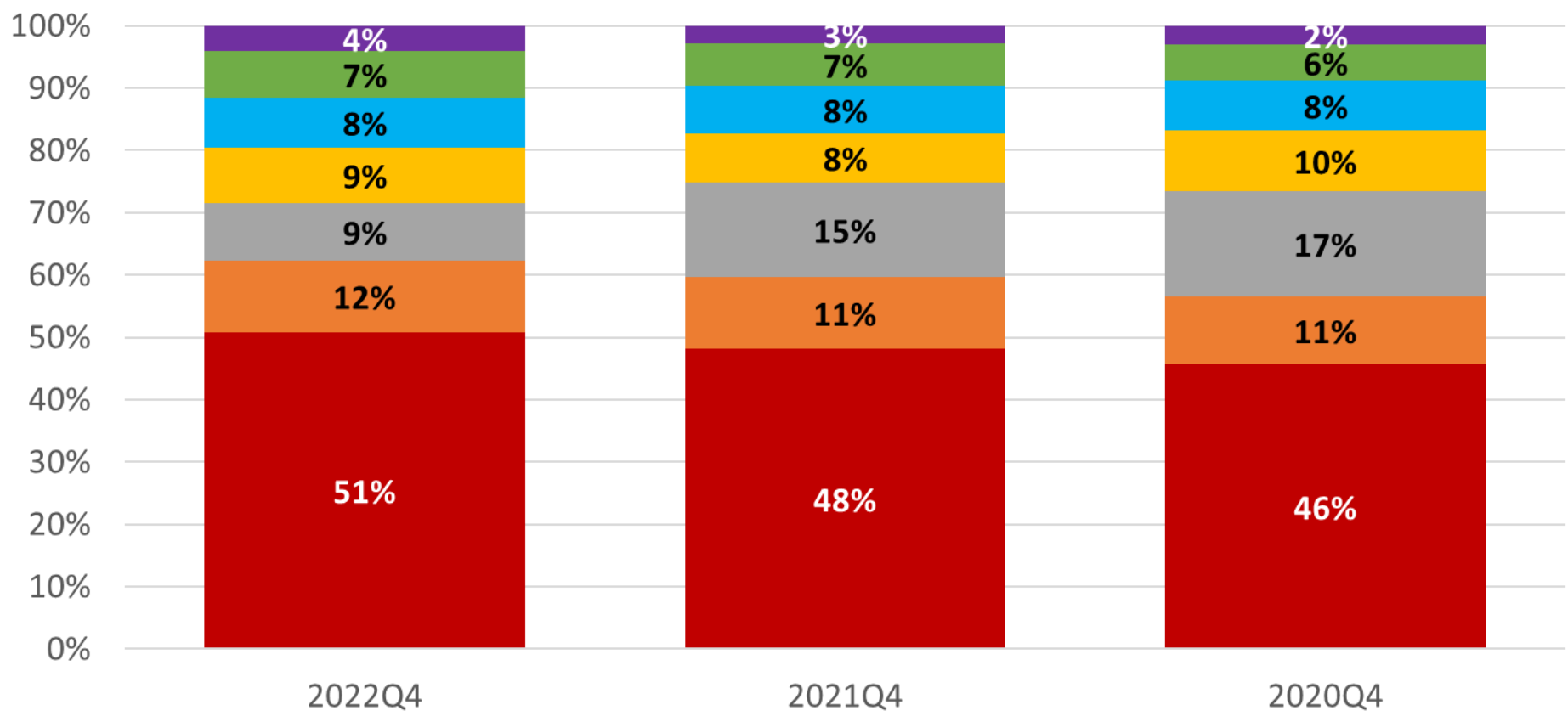


2022 Sales Revenues by Industry



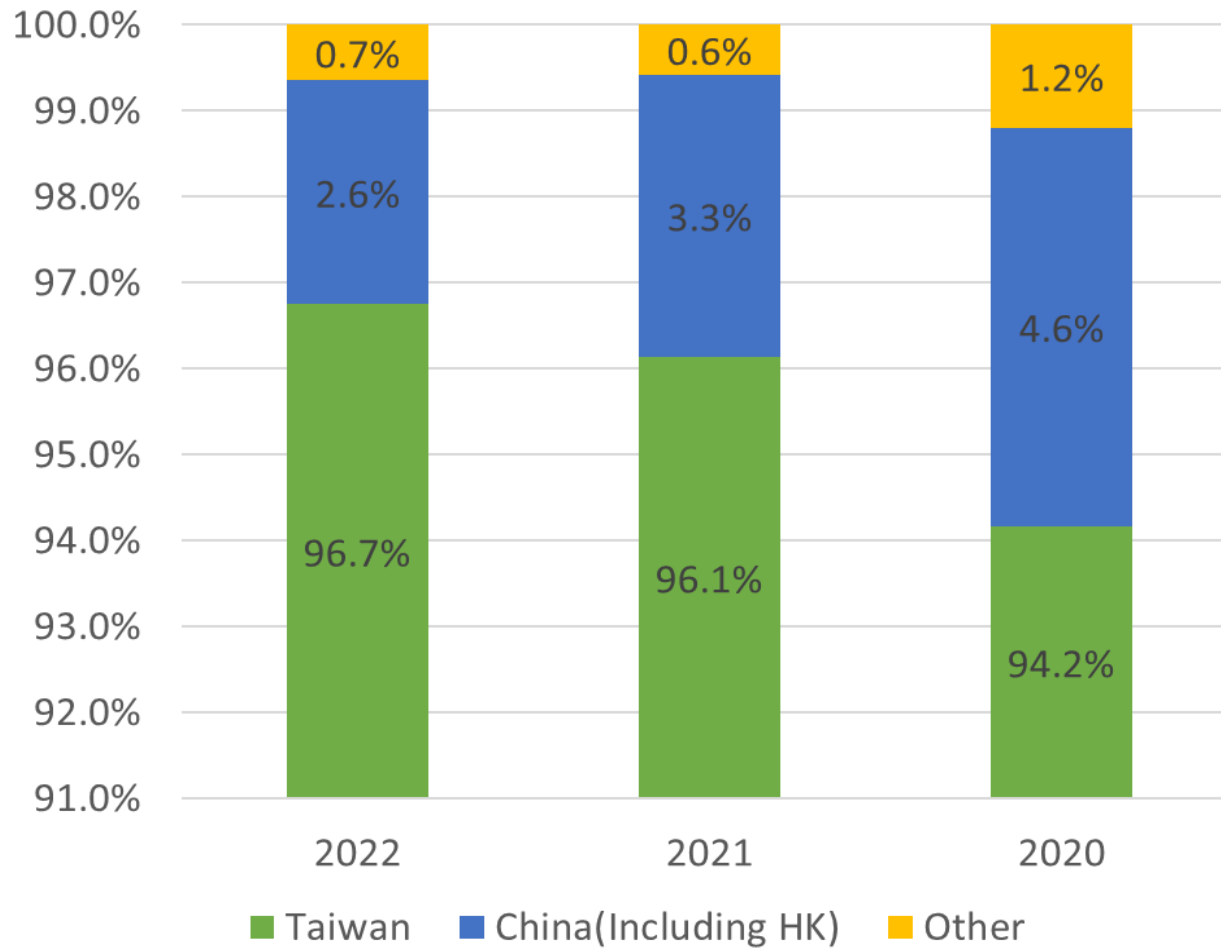
Revenue: 6.729 billion

Comparison of Sales Revenues by Industry(Accumulated)



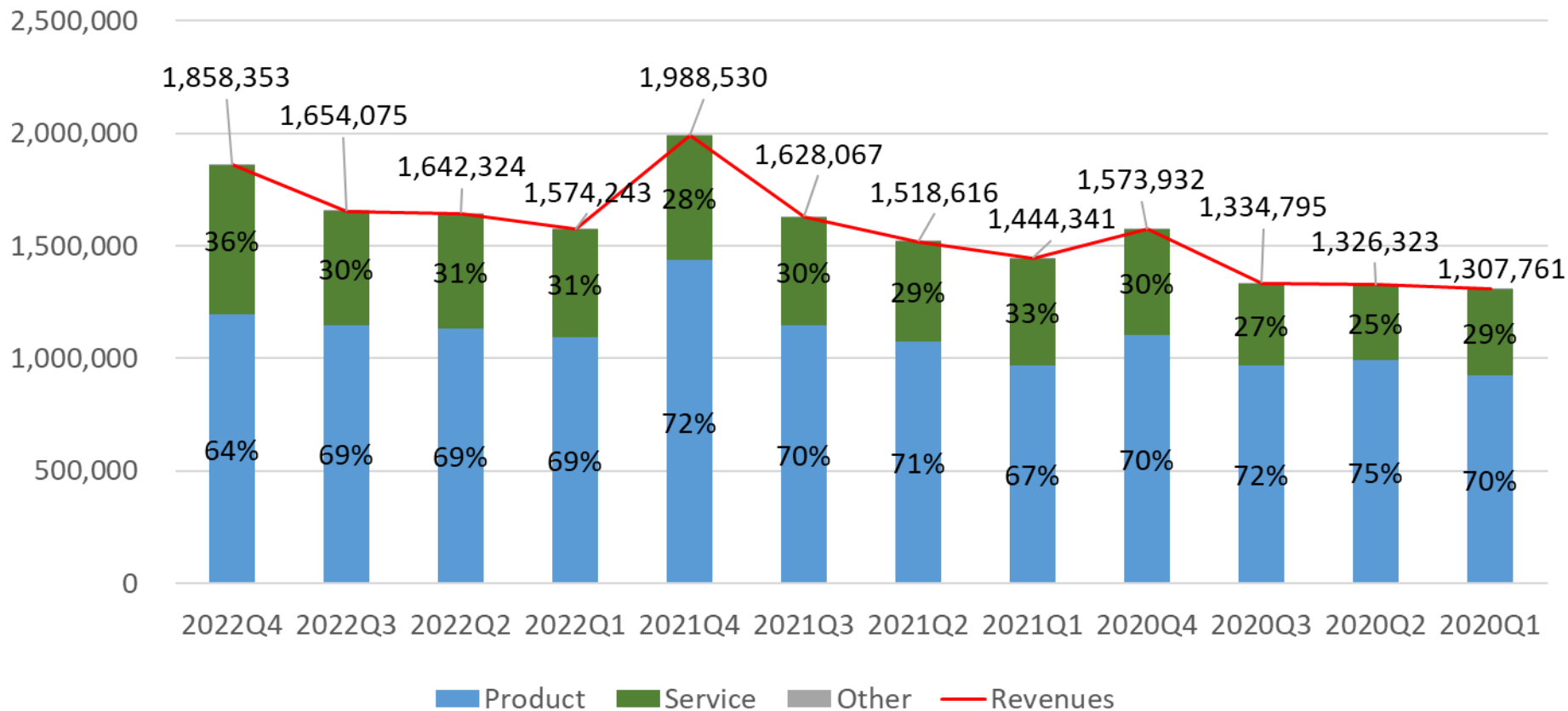
- Electronic related(Including Semiconductor)
- Government education unit
- Telecommunications
- Financial insurance
- Transportation and traditional manufacturing
- Other
- Biomedical

Comparison of Sales Revenues by Region(Accumulated)



Quarterly revenue status

Units:NT\$
thousand





Q & A
Thank you!!