

Stark Technology Inc.(2480)

2023Q2 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 9th 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% |
| 2022(9 th .) | 100% | 21%-35% | 11%-20% |

Awards

- Awarded the “Badge of Accredited Healthy Workplace” by Health Promotion Administration, Ministry of Health and Welfare in 2022
- 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

得獎事蹟

□ System Products

【HPE】FY22 Best partner Award

【HPE】FY22 Excellent distribution partner

【Cisco】FY22 Reseller of the Year

【DELL】2022 Best Hybrid Cloud Solution

【IBM】2022 Best overall hardware and software sales



得獎事蹟(續)

Storage Products

【NetApp】 FY22 Best partner Award

【FUJITSU】 2022 Most Valuable Partner

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

【HDS】 FY22 Best Elite Reseller

【Veeam】 FY22 Platinum Partner of the Year Award



得獎事蹟(續)

□ Info. Security/ Data comm. Products

【Palo Alto】FY22 Most Valuable Reseller

【Cisco】Cisco-FY22 Reseller of the Year

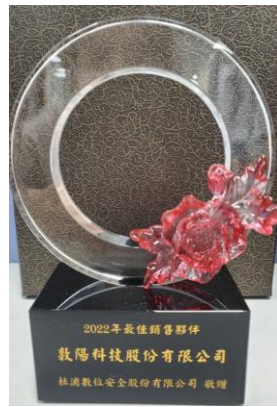
【Aruba】FY22 HPE Aruba Champion partner of the Year

【TEAM T5】2022 Best sales partner

【Fortinet】2022 Best Horse Award

【CYBERARK】2022 Best Reseller

【Checkpoint】2022 Best Outstanding Partner



得獎事蹟(續)

□ Other Products

【NUTANIX】 FY22 New Logo Focus Reseller of the Year

【NUTANIX】 FY22 Best Reseller of the Year



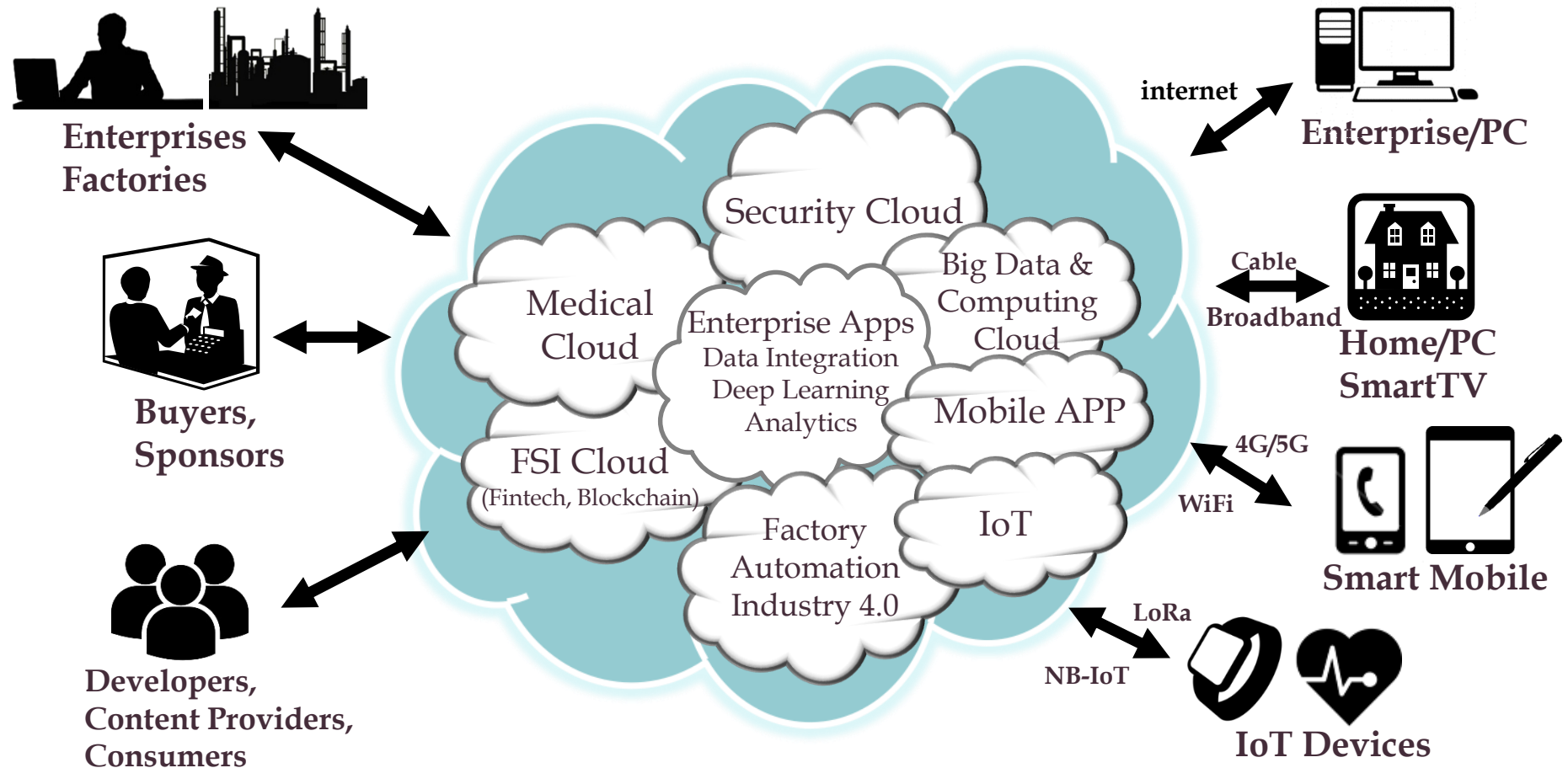
STI Service Network



Sales Operation – by Industries

| Sales BU | Industry / Region |
|------------|--|
| BU1 | 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 |
| BU5 | All industries in 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

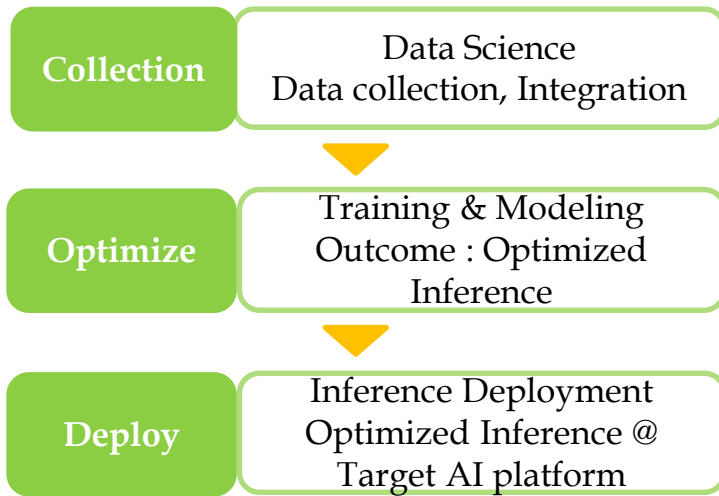
System & Platform *Resource Mgmt (CPU/GPU/VM/Container/Bare Metal)*

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

AI(Machine · Deep Learning)



Customer Requirements



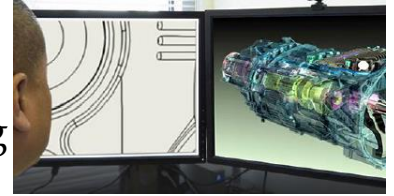
Stark Technology Inc.

- ✓ NVIDIA Elite Partner
- ✓ AI Platform Solution Provider

Highlights

Post Pandemic

WFH : Secure access
Backend AI processing
power via VDI



Industrial Application

Leveraging AI platform to
improve productivity and yield

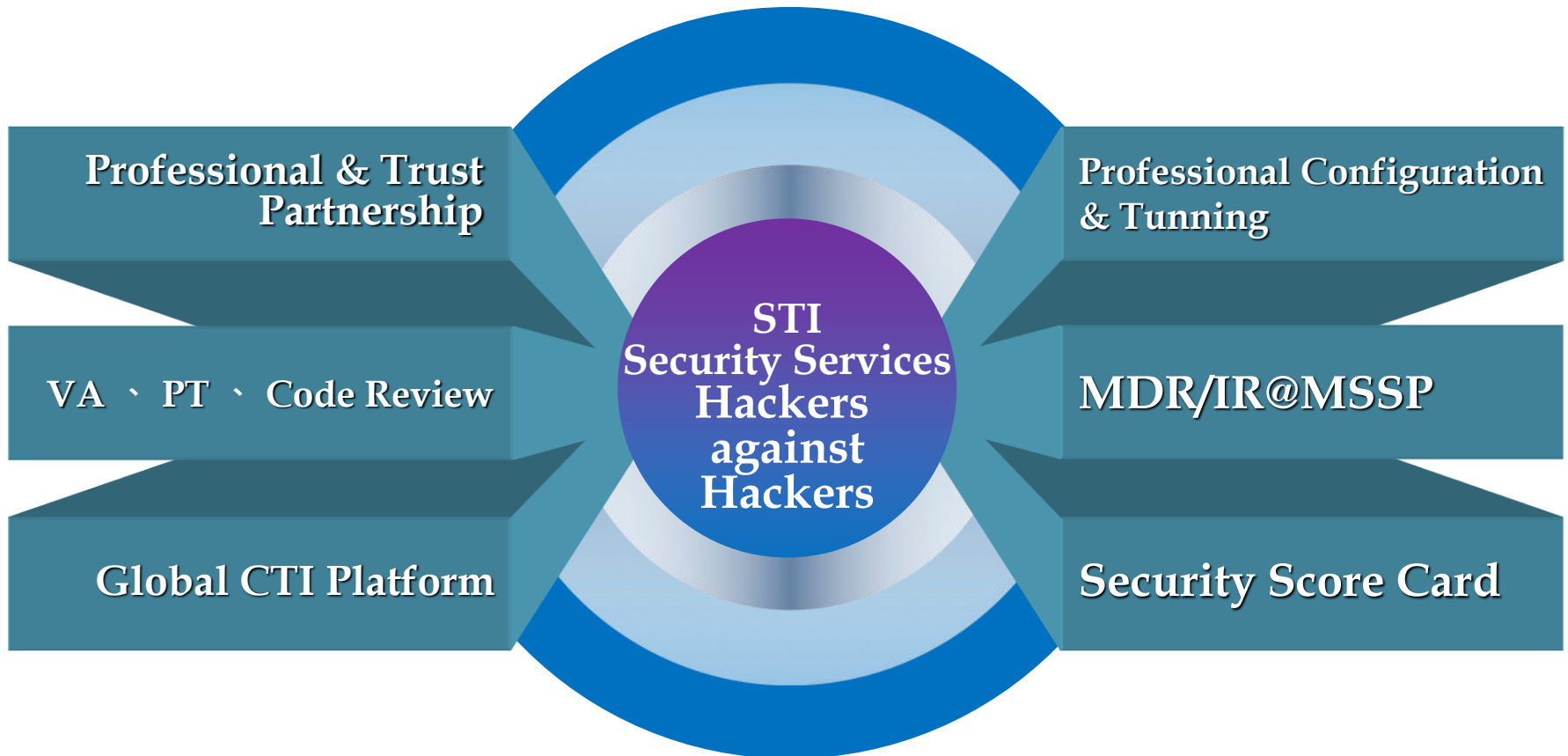


Industry-Academia Alliance

Academic Alliance to
redefine enterprise AI
smart technology



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

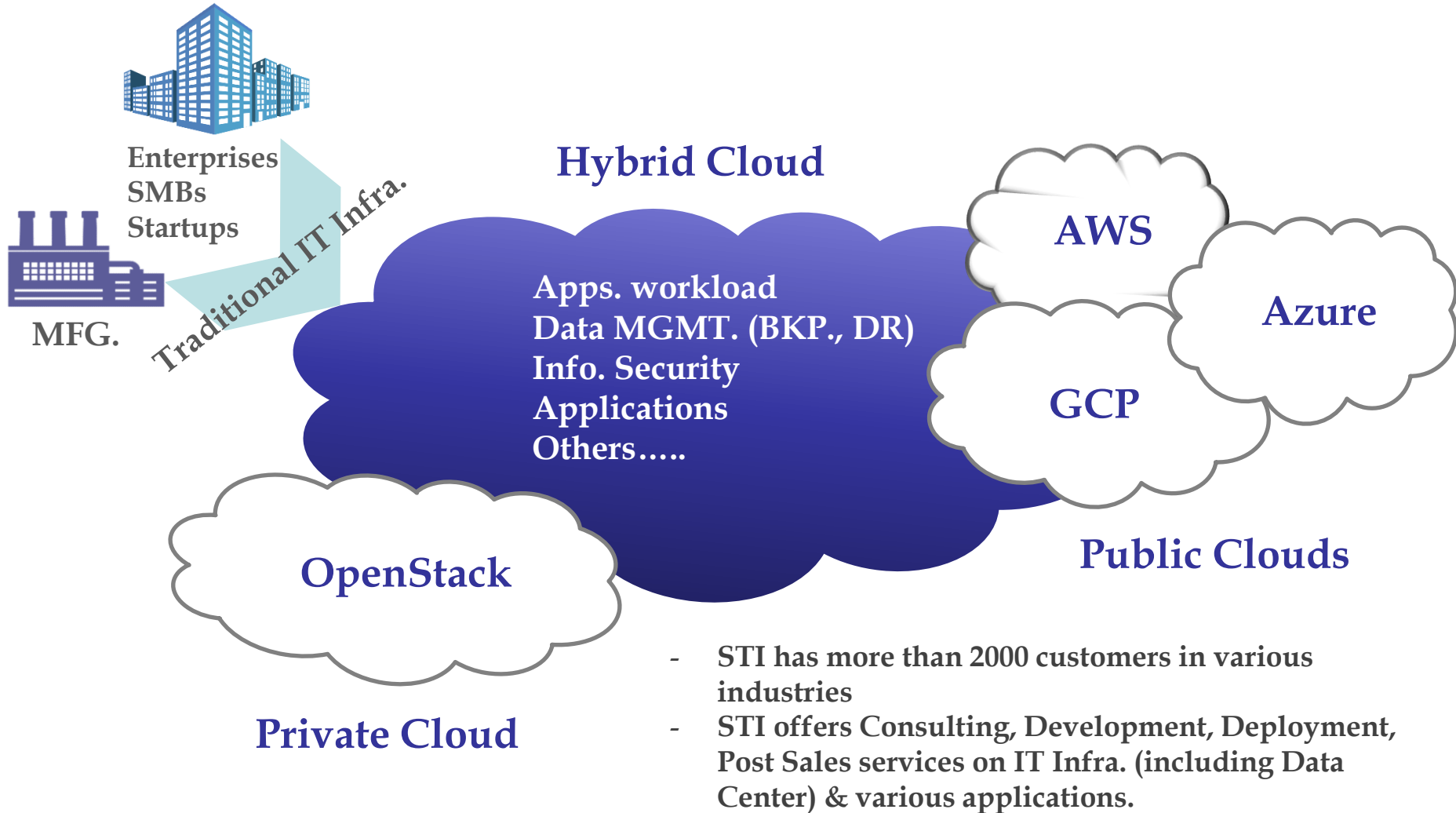
Endpoint
Security

Data
Security

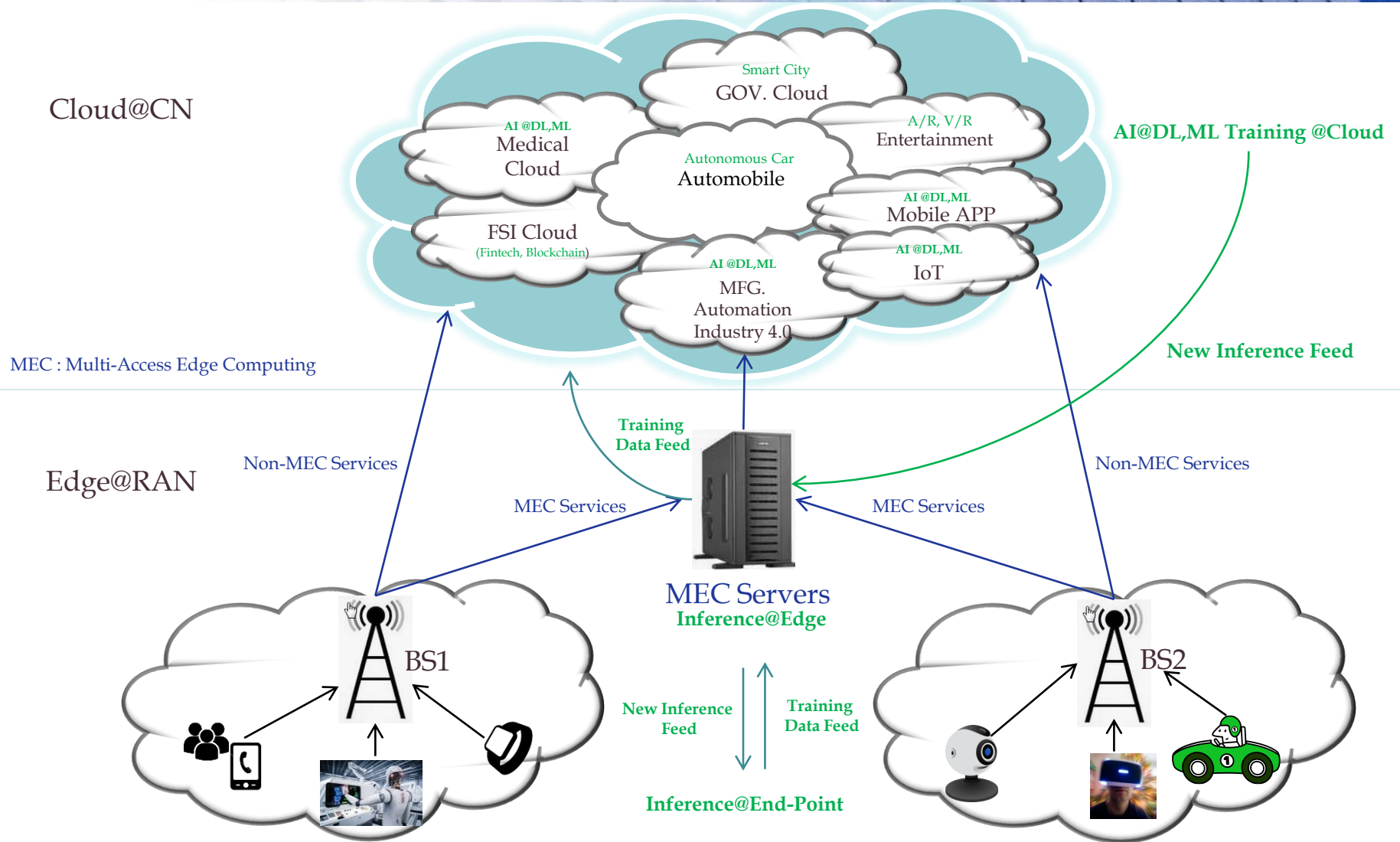
Mobile
Security

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 | 2023/6/30 | | 2022/12/31 | | 2022/6/30 | |
|--|------------------|-------------|------------------|-------------|------------------|-------------|
| | AMT | % | AMT | % | AMT | % |
| Cash and cash equivalents | 1,240,164 | 20% | 1,534,624 | 24% | 1,736,018 | 28% |
| Accounts receivable(including contract assets) | 1,187,121 | 19% | 893,949 | 14% | 818,549 | 13% |
| Inventories | 2,236,296 | 36% | 2,530,729 | 39% | 2,180,440 | 35% |
| Property,Plant and equipment | 453,494 | 7% | 440,151 | 7% | 441,323 | 7% |
| Total Assets | 6,297,270 | 100% | 6,508,298 | 100% | 6,264,812 | 100% |
| Current Liabilities | 3,318,970 | 53% | 3,274,528 | 50% | 3,423,869 | 55% |
| Total Liabilities | 3,424,786 | 54% | 3,382,971 | 52% | 3,525,707 | 56% |
| Equity | 2,872,484 | 46% | 3,125,327 | 48% | 2,739,105 | 44% |

Source: Market Observation Post System

Income Statements Overview (Consolidated)

Units: NT\$ thousand

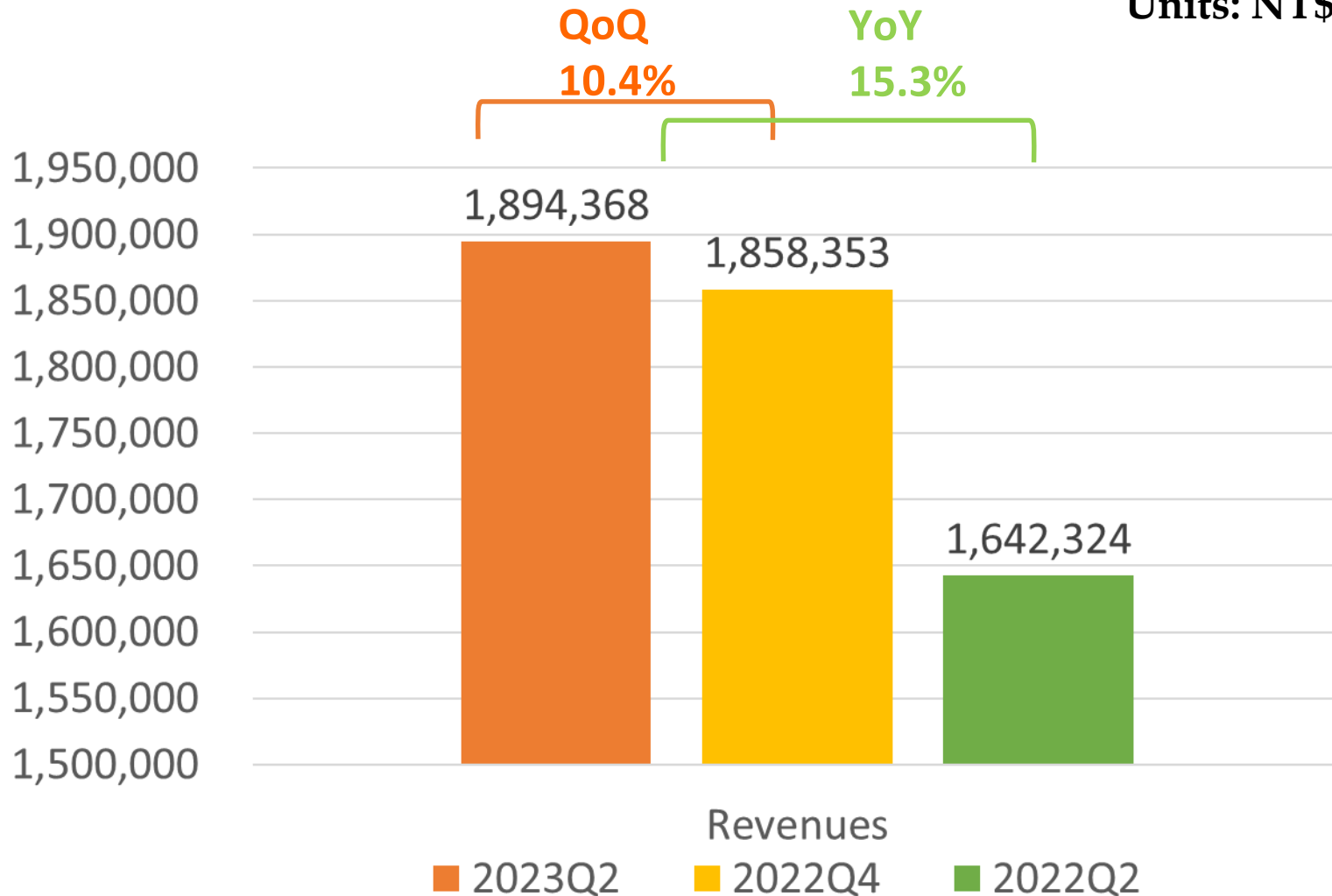
| Item | 2023 Jan.--June | | 2022 Jan.--June | | YOY |
|-------------------|-----------------|------|-----------------|------|-------|
| | AMT | % | AMT | % | |
| Revenues | 3,610,560 | 100% | 3,216,567 | 100% | 12.2% |
| Gross profit | 879,545 | 24% | 852,467 | 27% | 3.2% |
| Operating expense | 429,615 | 11% | 445,617 | 14% | -3.6% |
| Operating income | 449,930 | 13% | 406,850 | 13% | 10.6% |
| Other income | 45,888 | 1% | 27,923 | 1% | 64.3% |
| Pre-tax income | 495,818 | 14% | 434,773 | 14% | 14.0% |
| Net income | 402,212 | 11% | 352,969 | 11% | 14.0% |
| EPS(NT\$) | 3.78 | | 3.32 | | 13.9% |

Source: Market Observation Post System

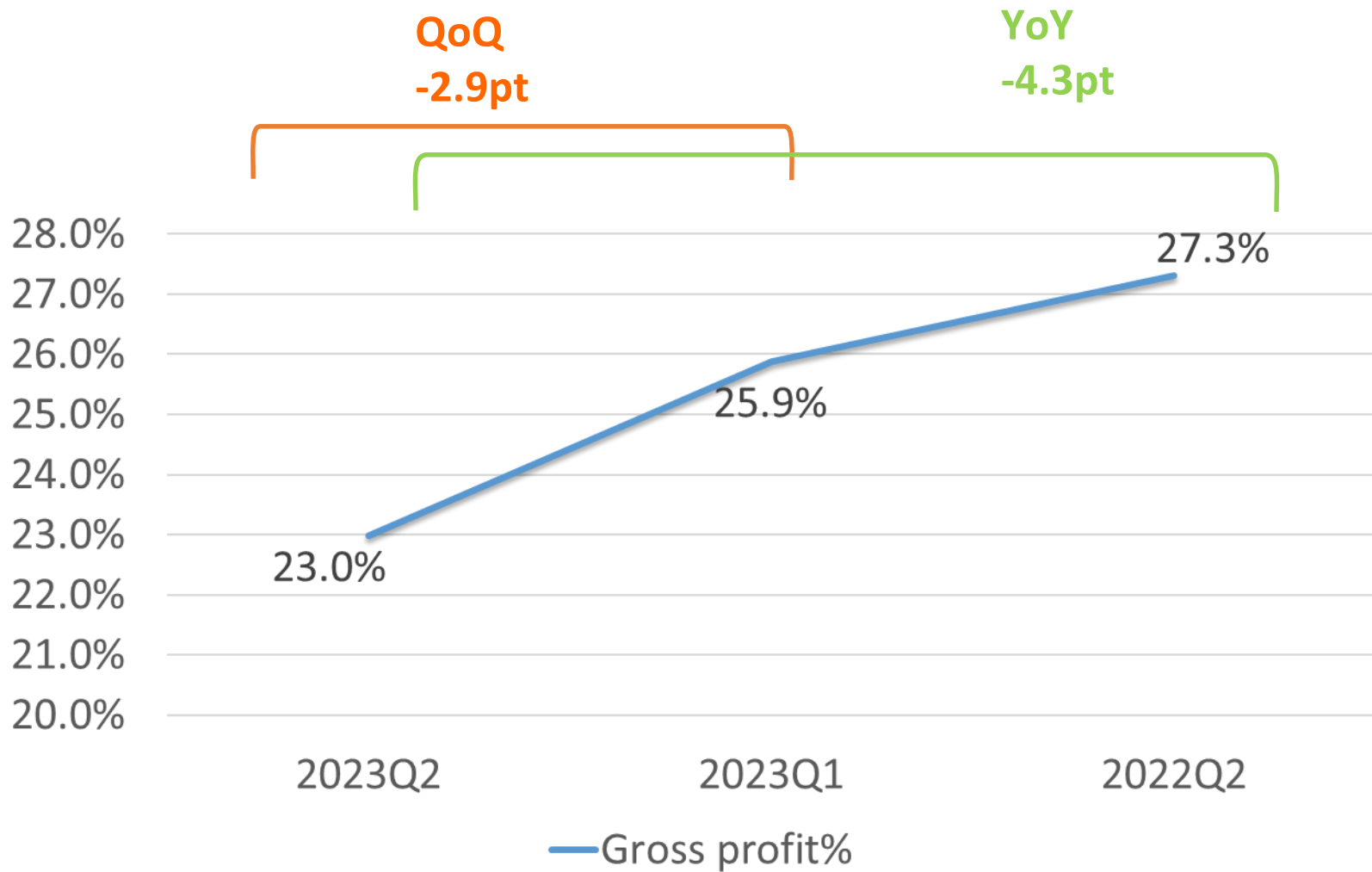
Note:China subsidiary's revenue of consolidated: 2023Q2 1.68%;2022Q2 2.25%

Consolidated Revenues

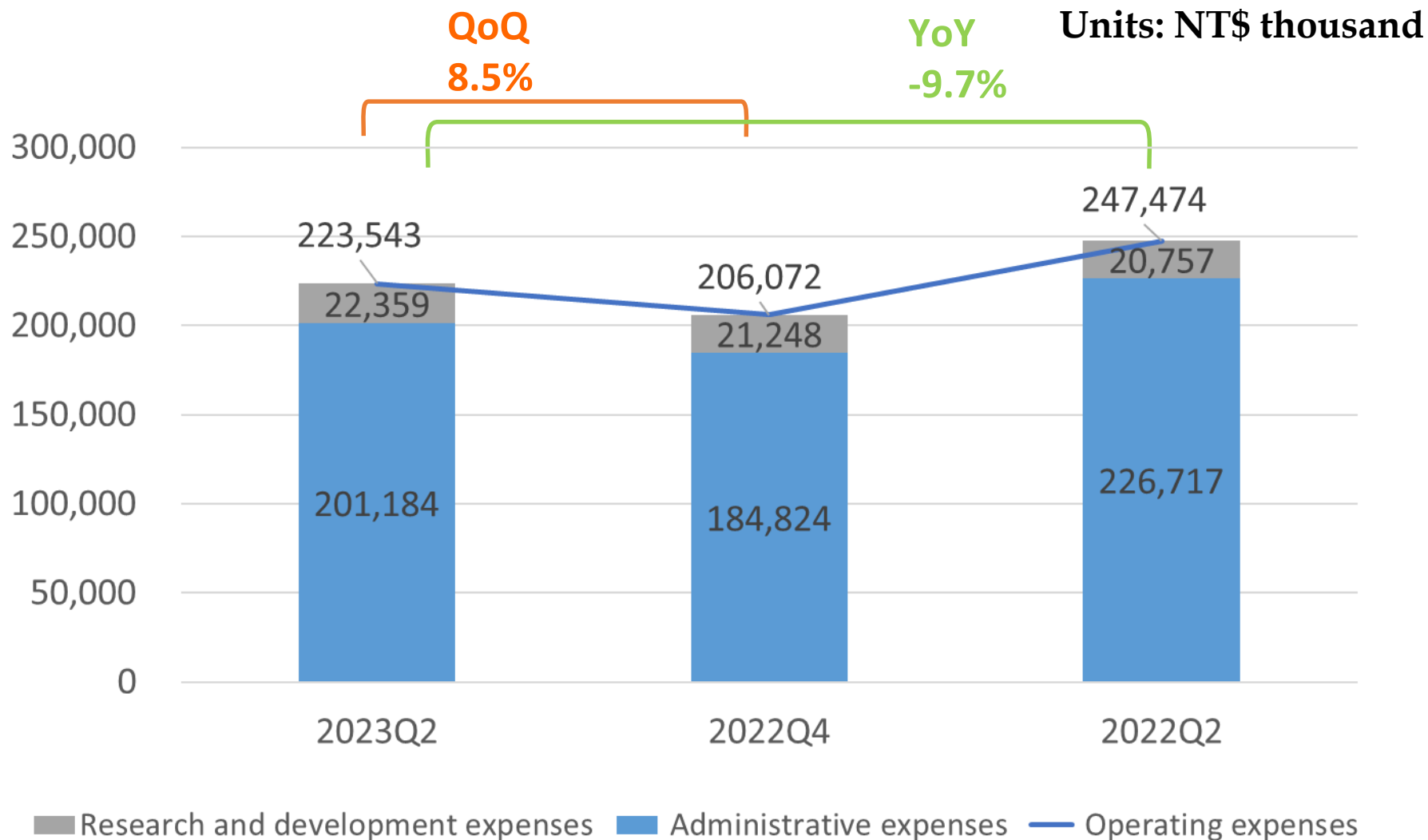
Units: NT\$ thousand



Consolidated Gross profit%

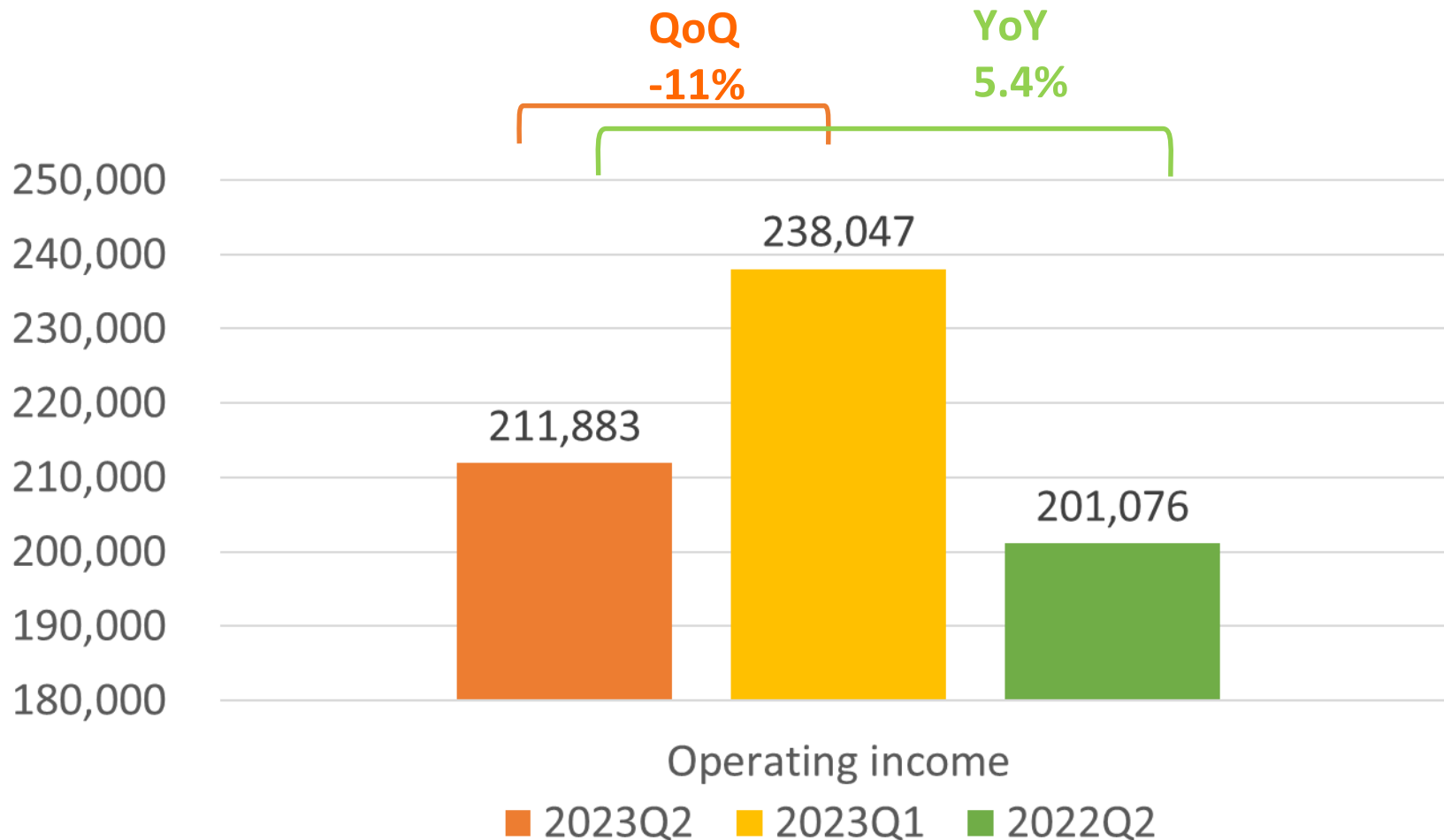


Consolidated Operating expenses



Consolidated Operating income

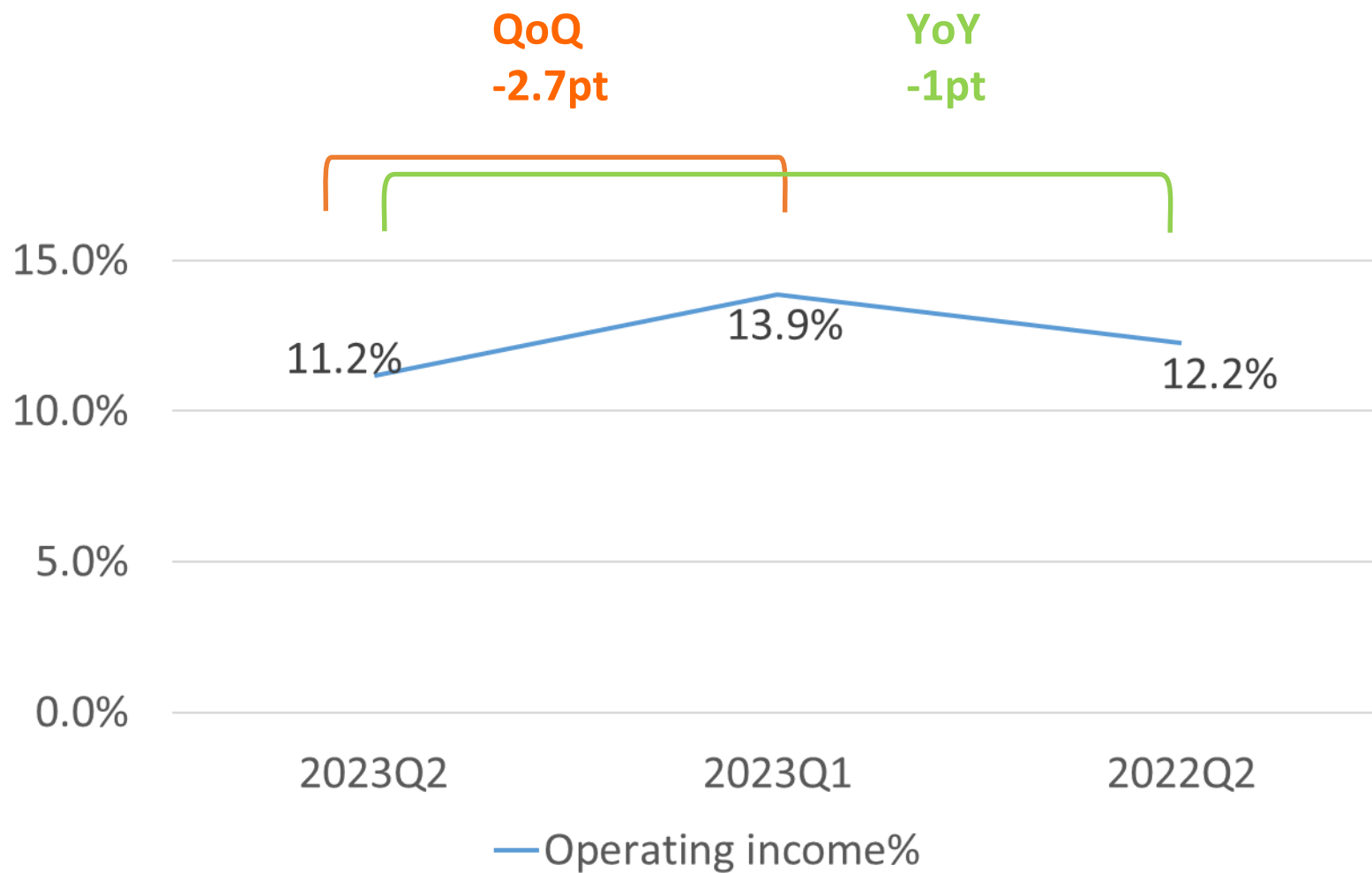
Units: NT\$ thousand



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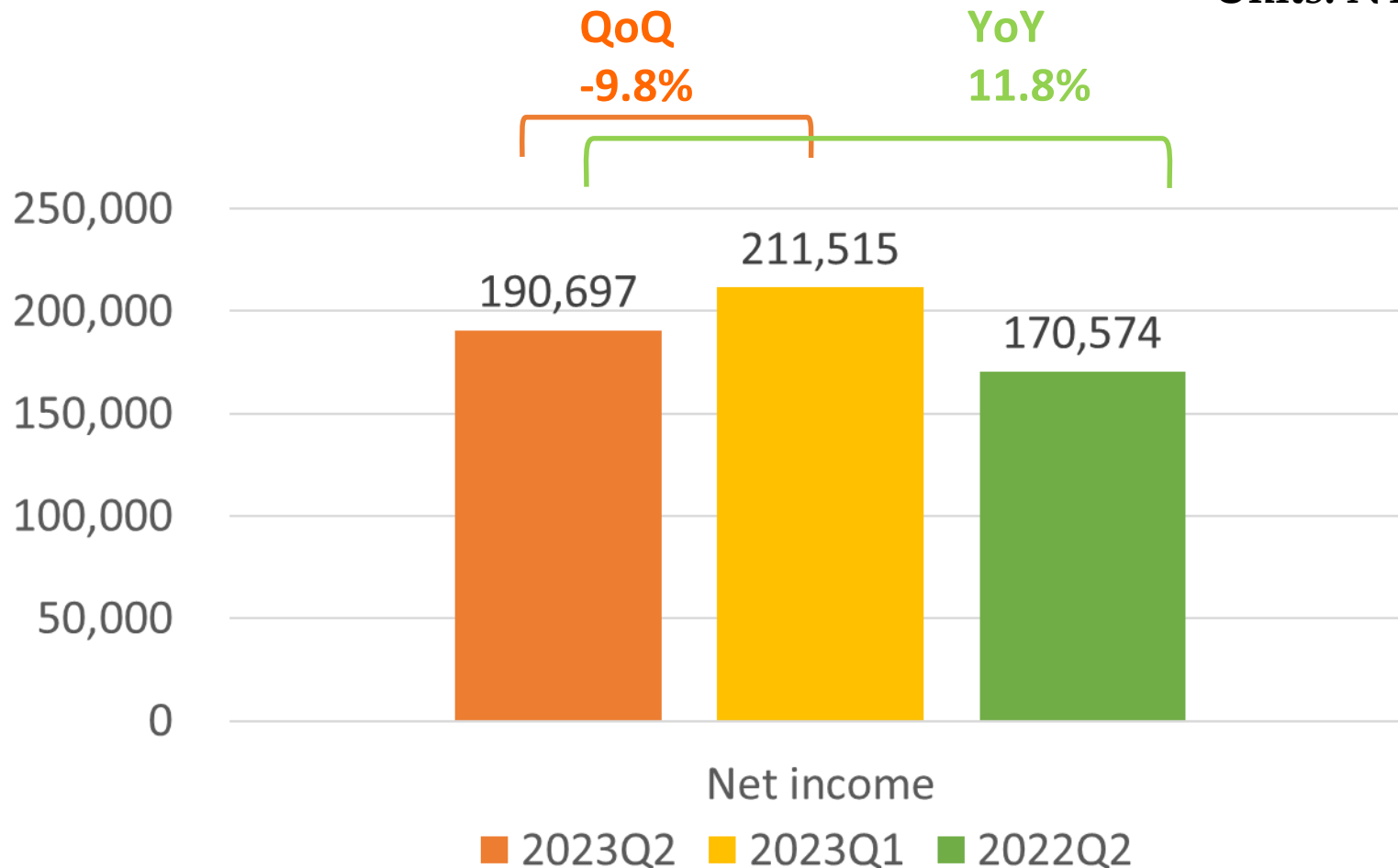
敦陽科技股份有限公司

Consolidated Operating income⁰%

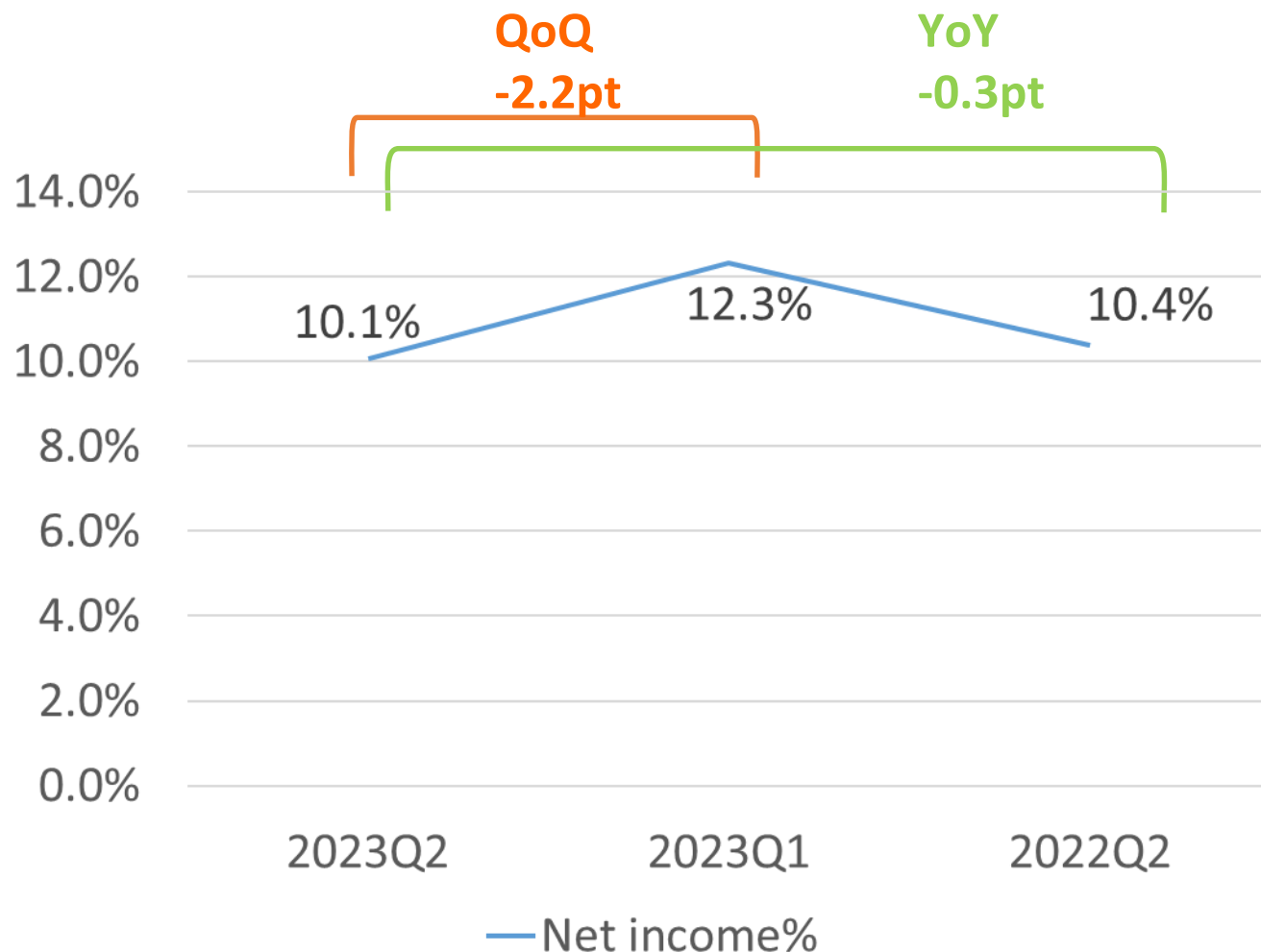


Consolidated Net income

Units: NT\$ thousand

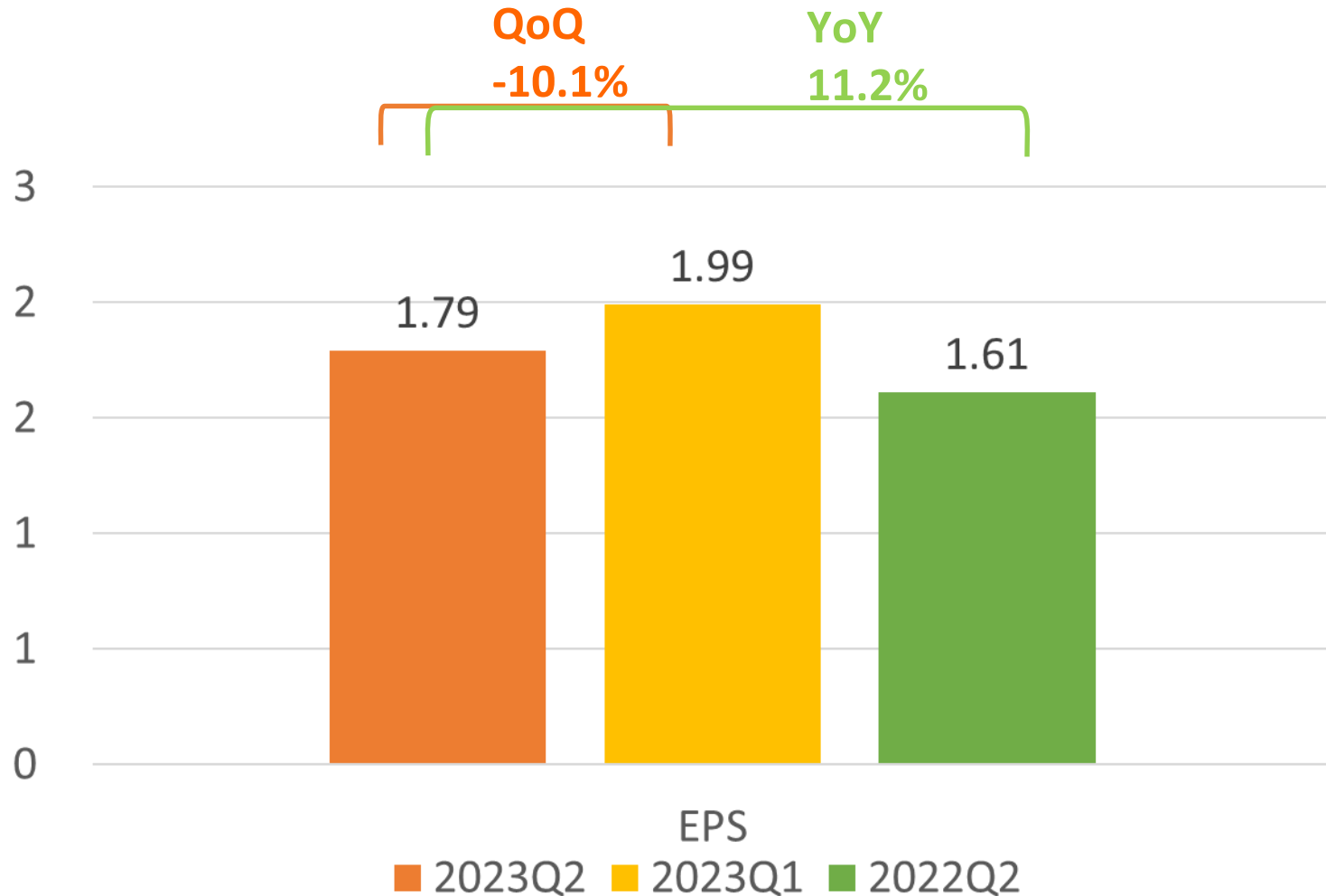


Consolidated Net income⁰%



Consolidated EPS

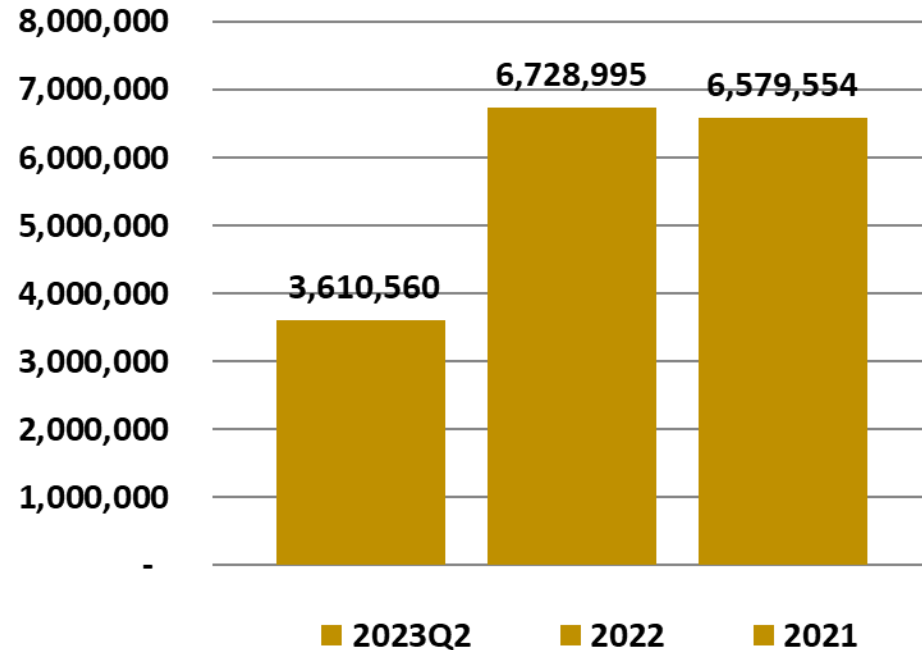
Units: NT\$



Sales Revenue & Net Income

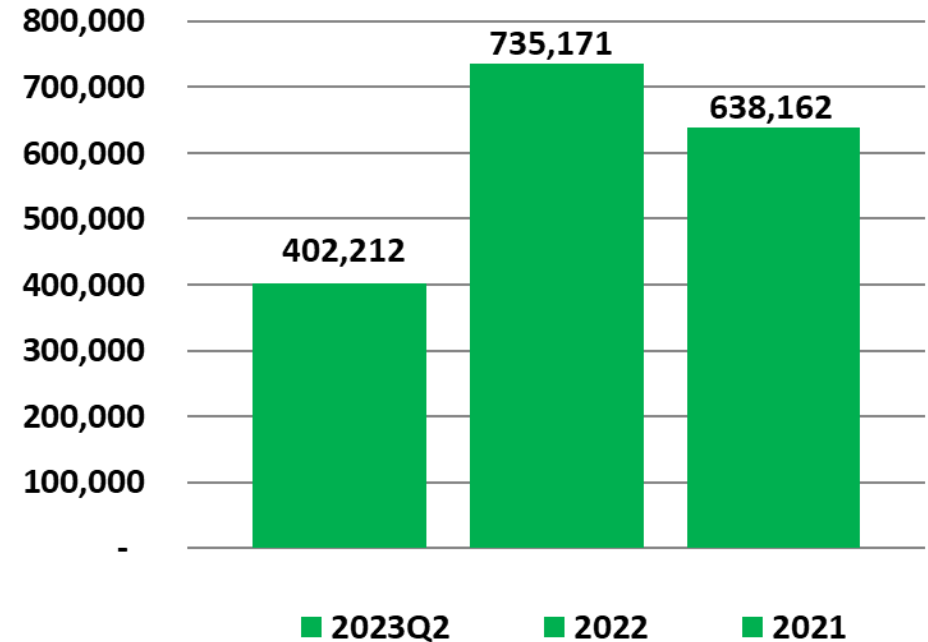
Sales Revenue

Units:NT\$
thousand



Net Income

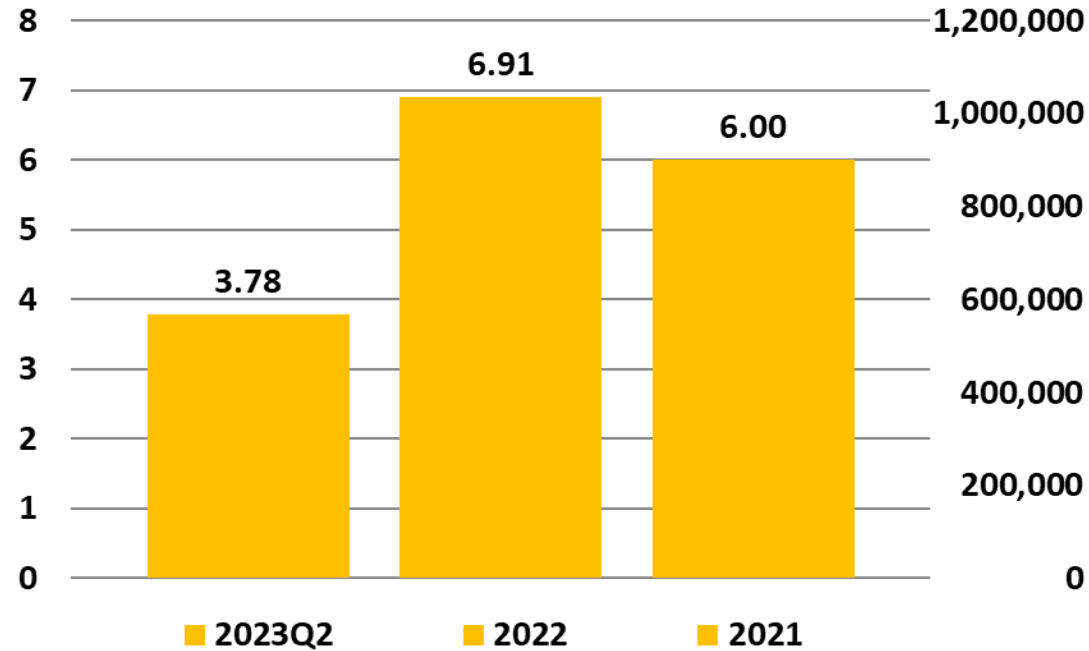
Units:NT\$
thousand



EPS & Capital

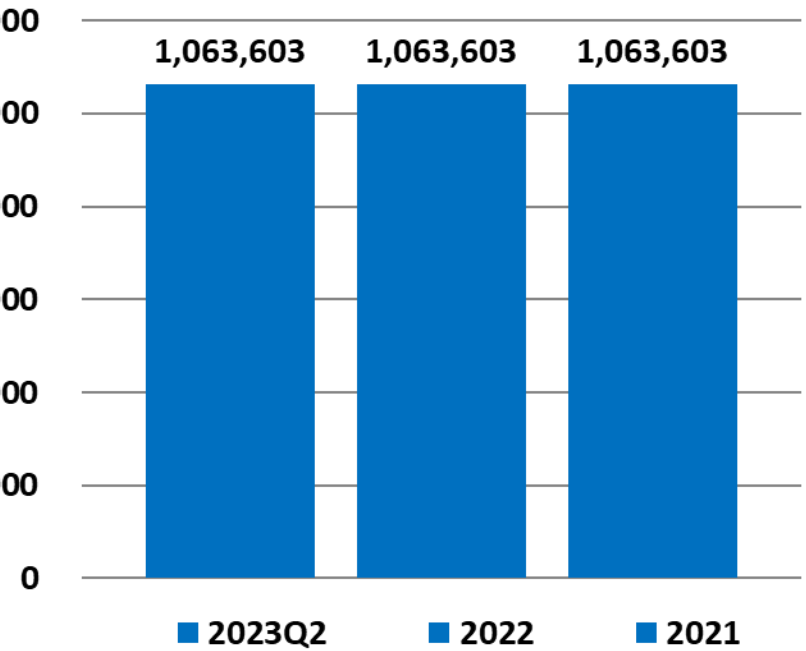
EPS

Units:NT\$



Capital

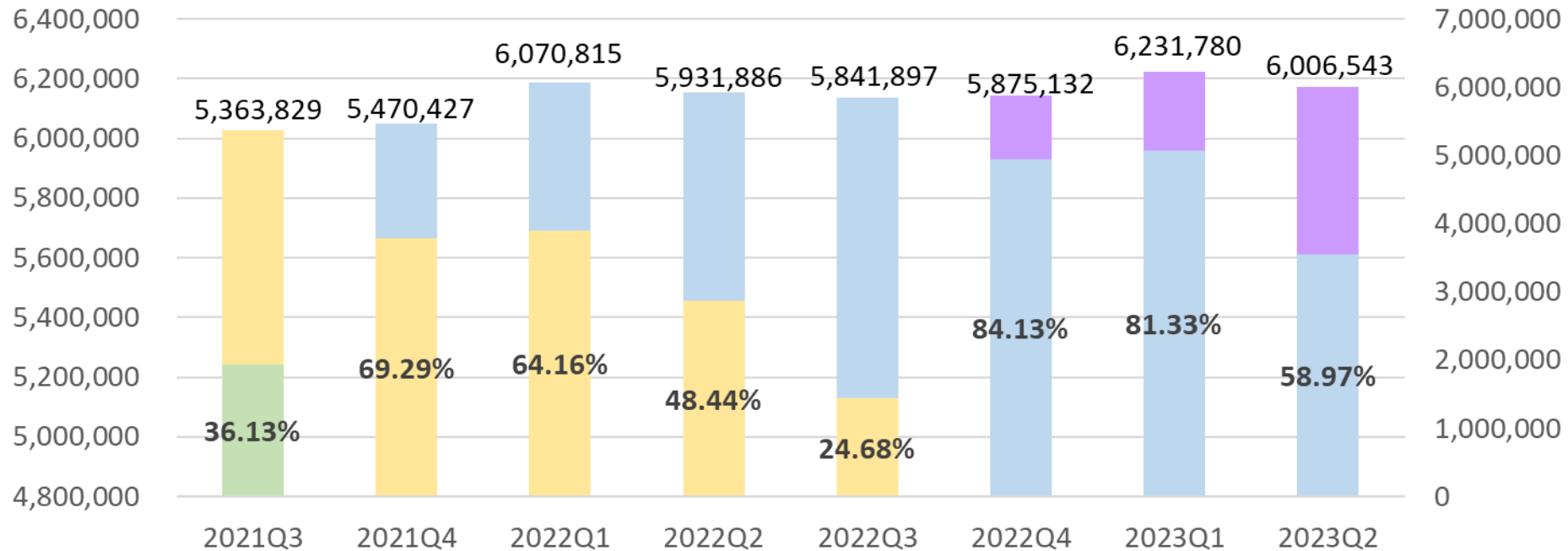
Units:NT\$ thousand



| | 2023Q2 | 2022 | 2021 |
|-----|--------|-------|-------|
| ROE | 13.41 | 23.93 | 21.82 |

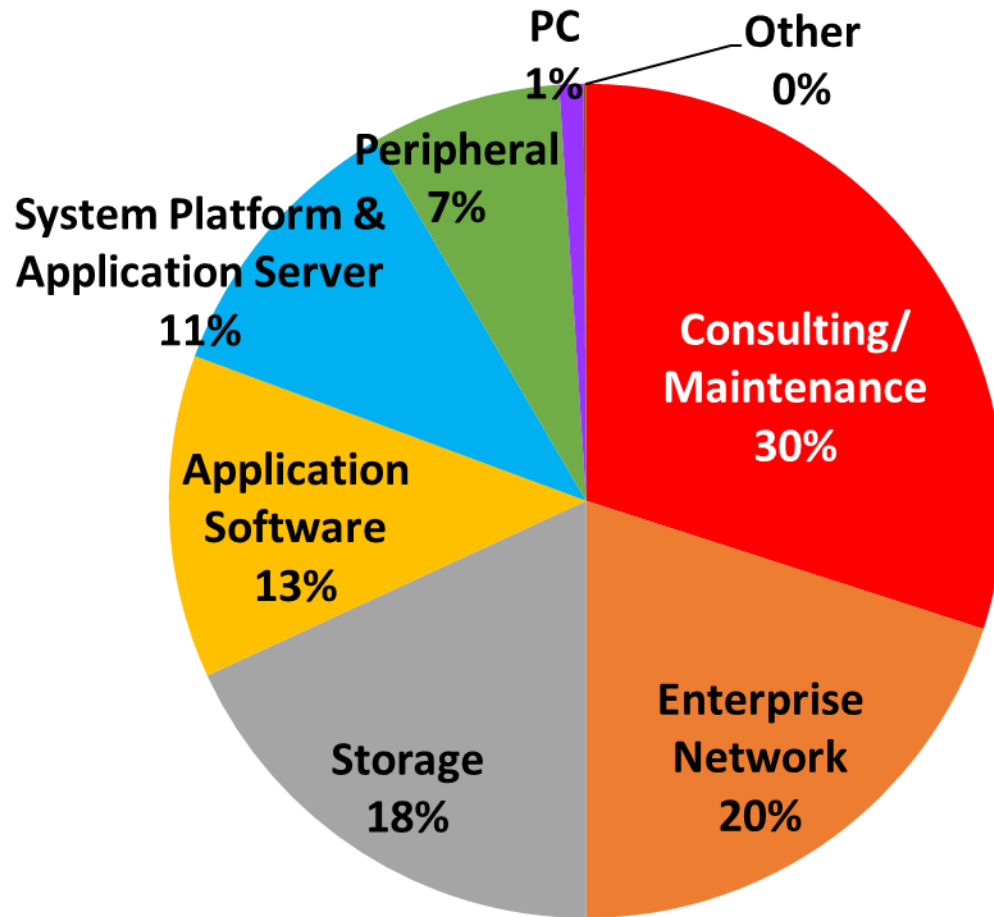
Allocation of transaction price into unfulfilled contractual obligations

Units: NT\$ thousand



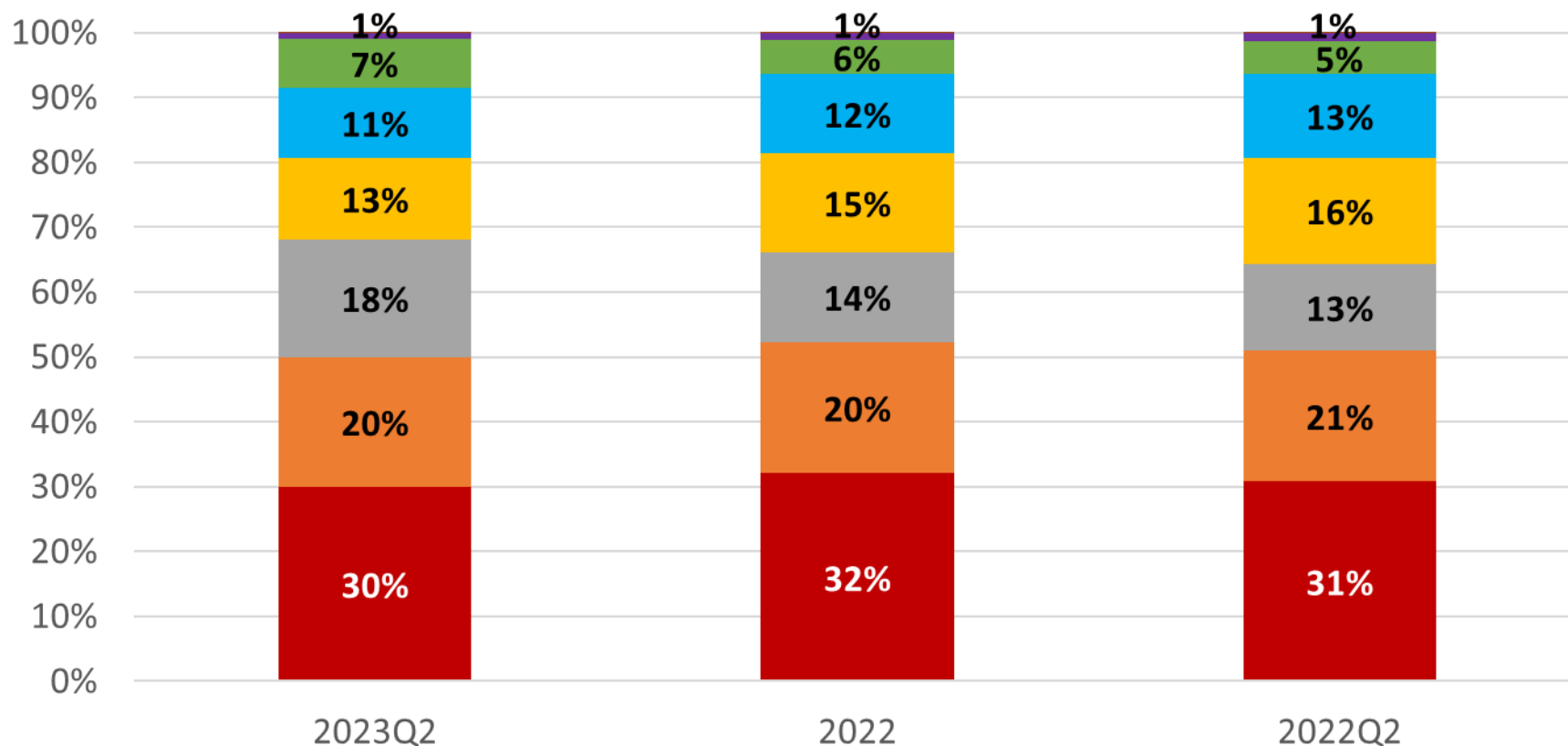
| | 2021Q3 | 2021Q4 | 2022Q1 | 2022Q2 | 2022Q3 | 2022Q4 | 2023Q1 | 2023Q2 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Allocation of transaction price into unfulfilled contractual obligations | 5,363,829 | 5,470,427 | 6,070,815 | 5,931,886 | 5,841,897 | 5,875,132 | 6,231,780 | 6,006,543 |
| Estimated Fulfill Ratio of 2021/2022/2023 | 36.13% | 69.29% | 64.16% | 48.44% | 24.68% | 84.13% | 81.33% | 58.97% |
| Estimated Fulfill Amount of 2021/2022/2023 | 1,937,951 | 3,790,459 | 3,895,035 | 2,873,406 | 1,441,780 | 4,942,749 | 5,068,307 | 3,542,058 |
| Estimated Fulfill Amount After 2022/2023/2024 | 3,425,878 | 1,679,968 | 2,175,780 | 3,058,480 | 4,400,117 | 932,383 | 1,163,473 | 2,464,485 |

2023Q2 Sales Revenues by Type



Revenue:3.611billion

Comparison of Sales Revenues by Type



■ Consulting/Maintenance

■ Storage

■ System Platform & Application Server

■ PC

■ Enterprise Network

■ Application Software

■ Peripheral

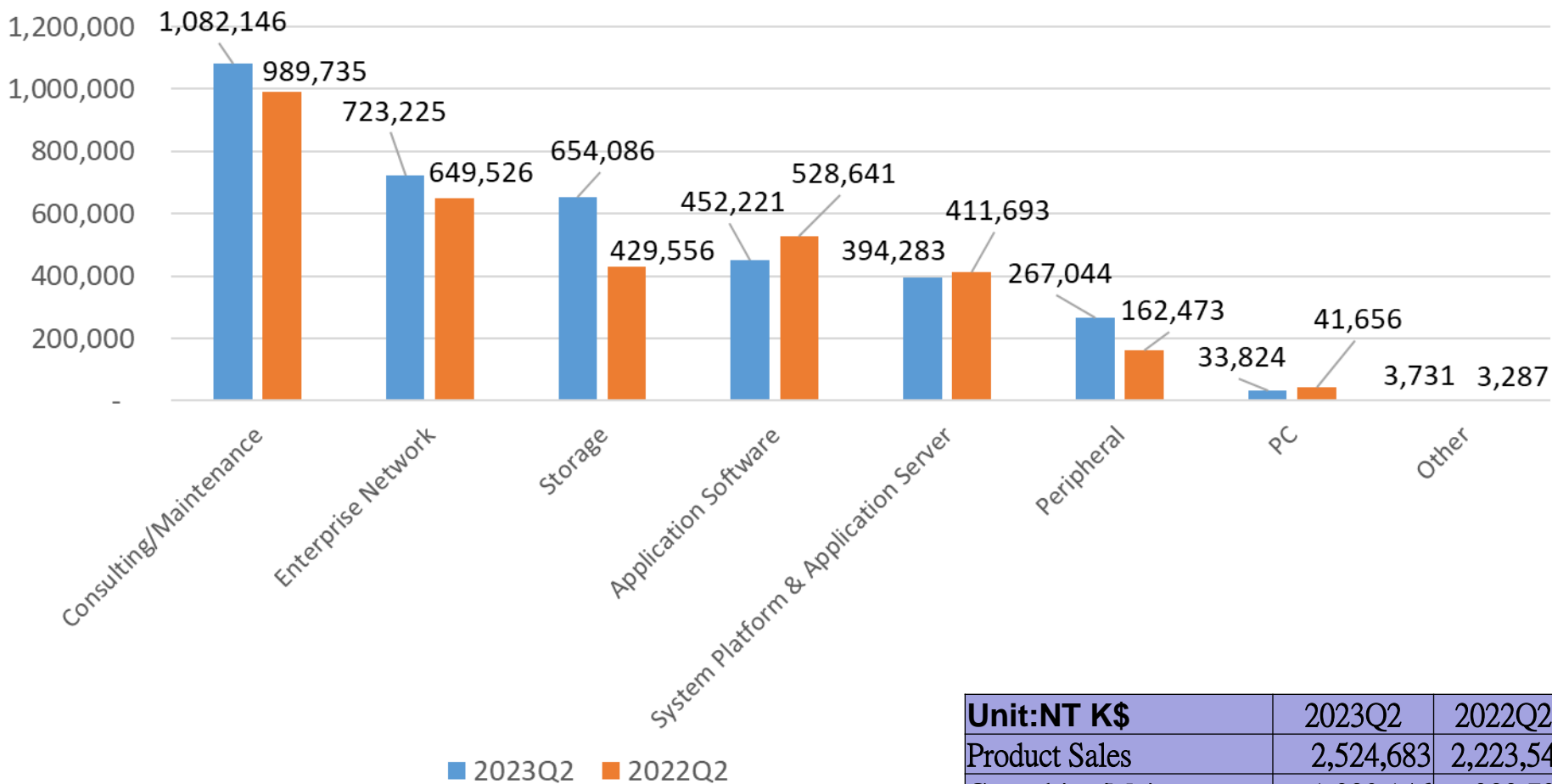
■ Other



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Compare Sales Revenues by Type

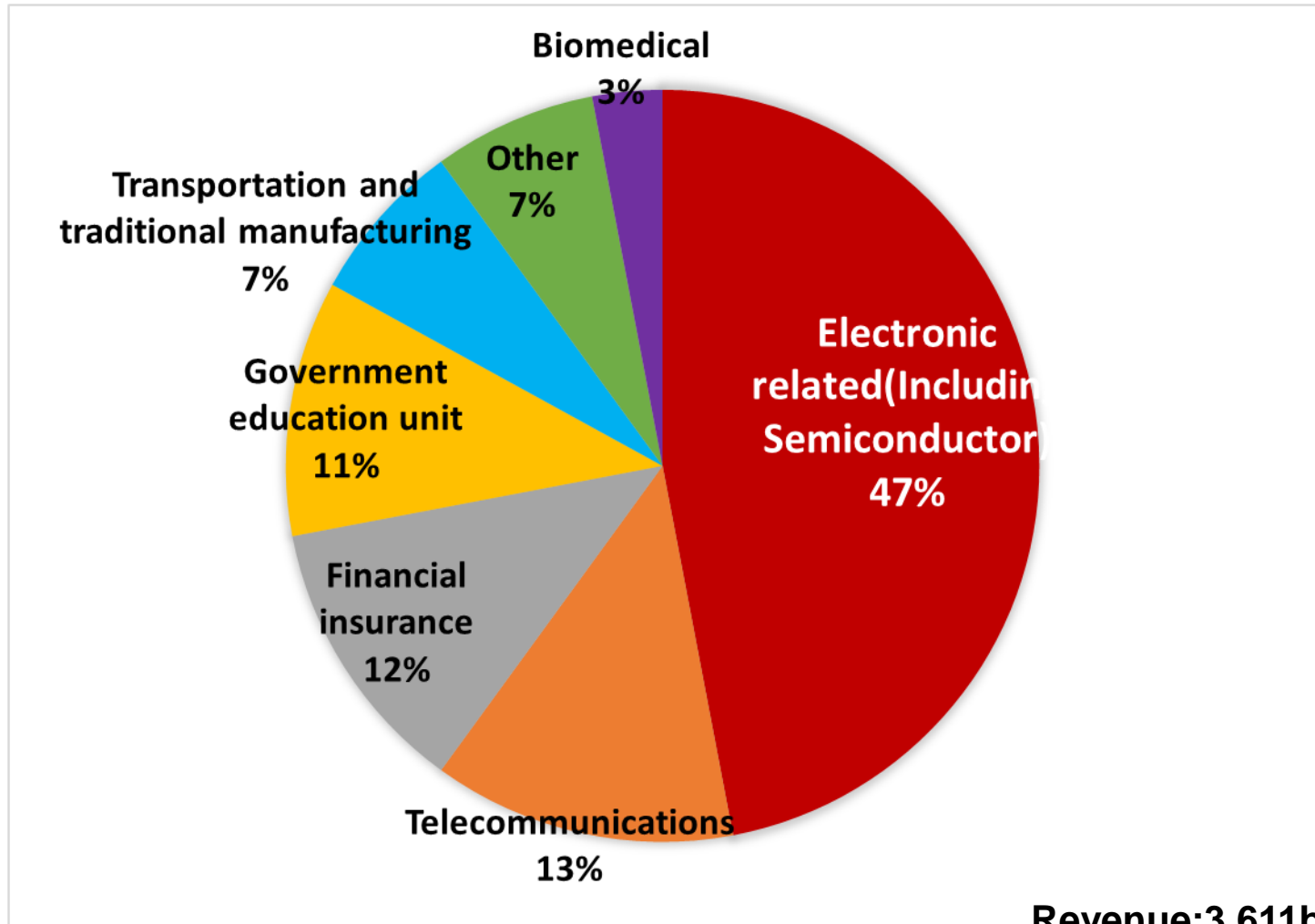


Revenue:3.611billion

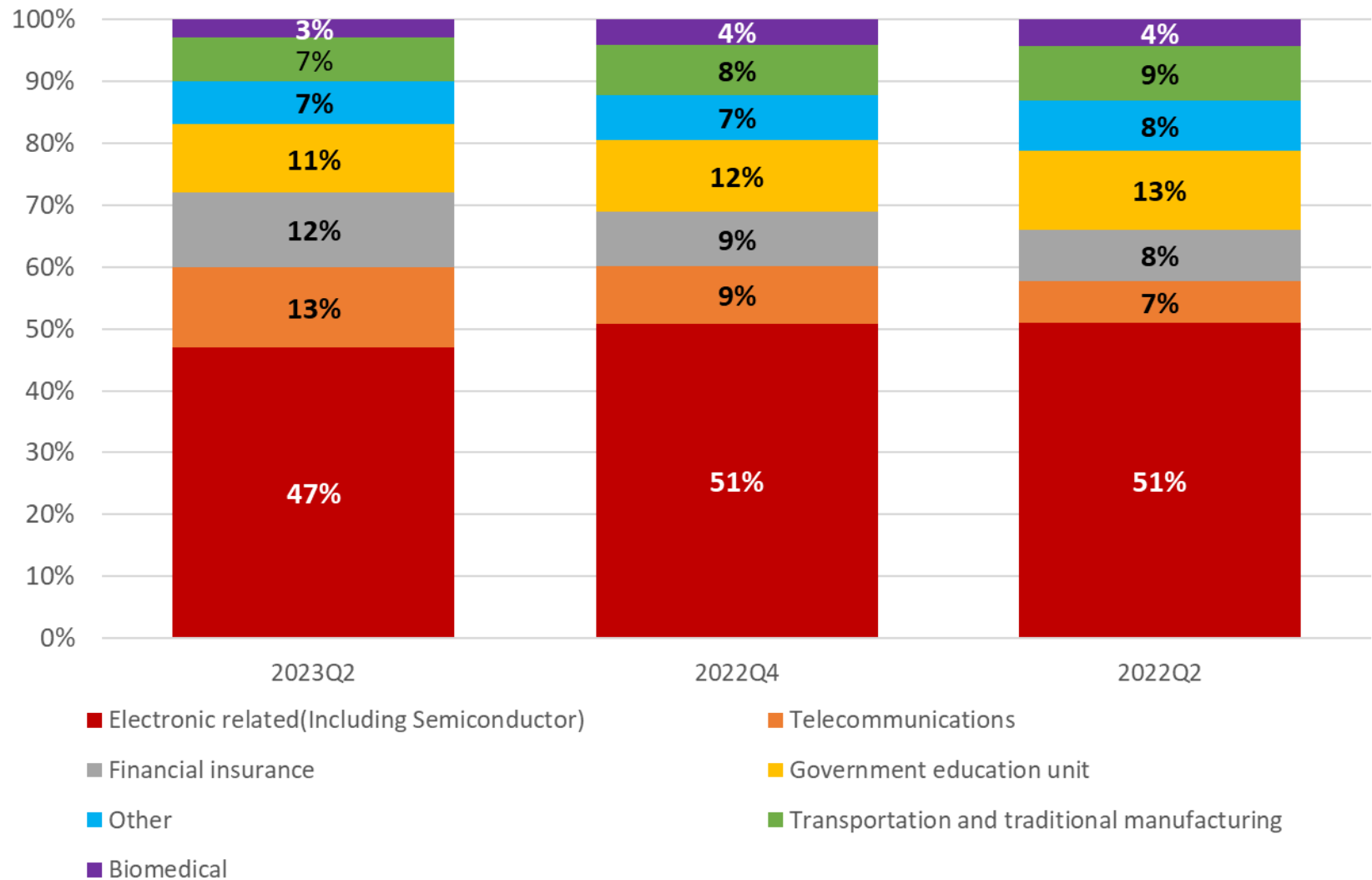
Revenue:3.217billion

| Unit:NT K\$ | 2023Q2 | 2022Q2 |
|------------------------|-----------|-----------|
| Product Sales | 2,524,683 | 2,223,545 |
| Consulting/Maintenance | 1,082,146 | 989,735 |
| Other | 3,731 | 3,287 |
| Total | 3,610,560 | 3,216,567 |

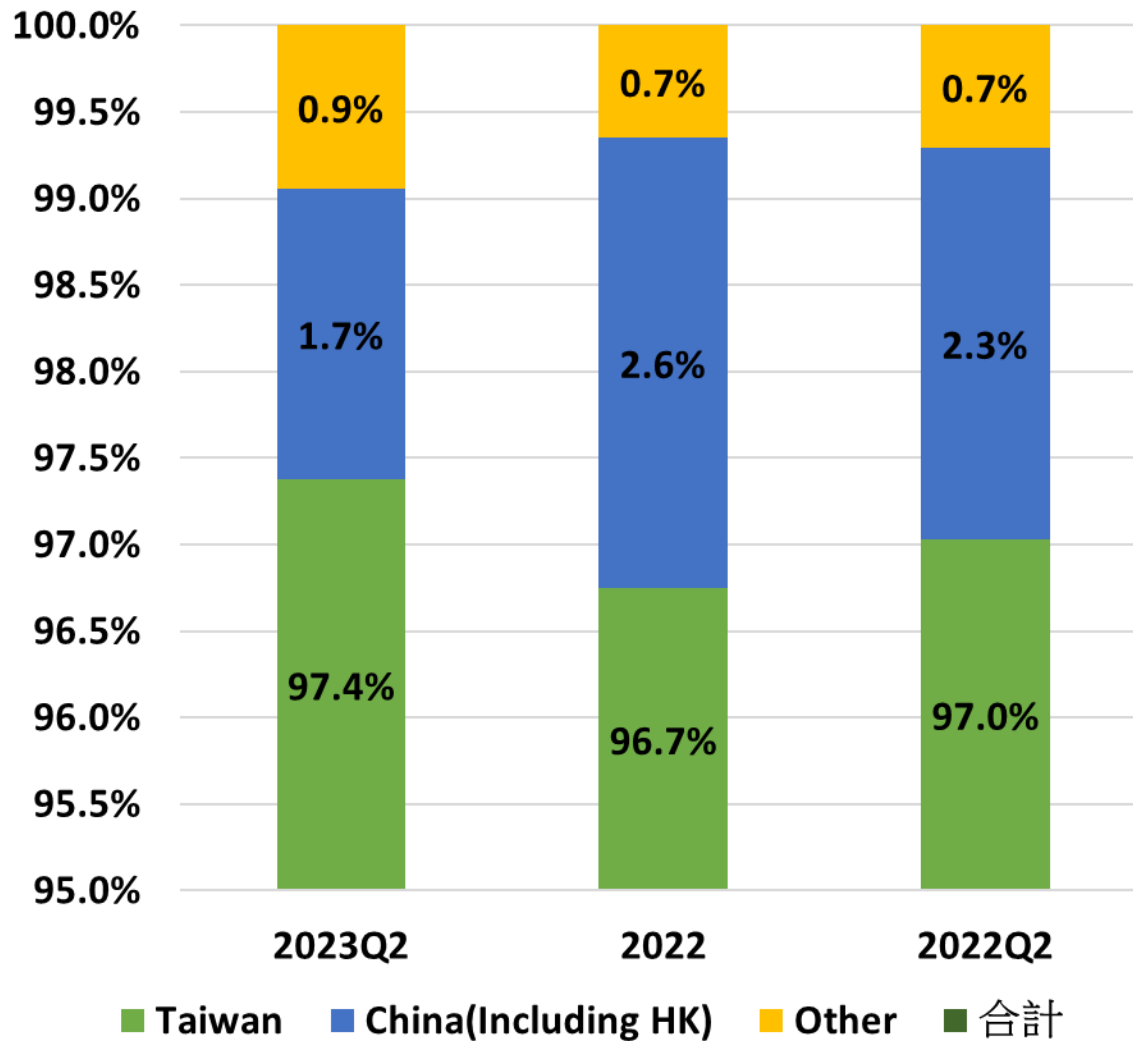
2023Q2 Sales Revenues by Industry



Comparison of Sales Revenues by Industry(Accumulated)



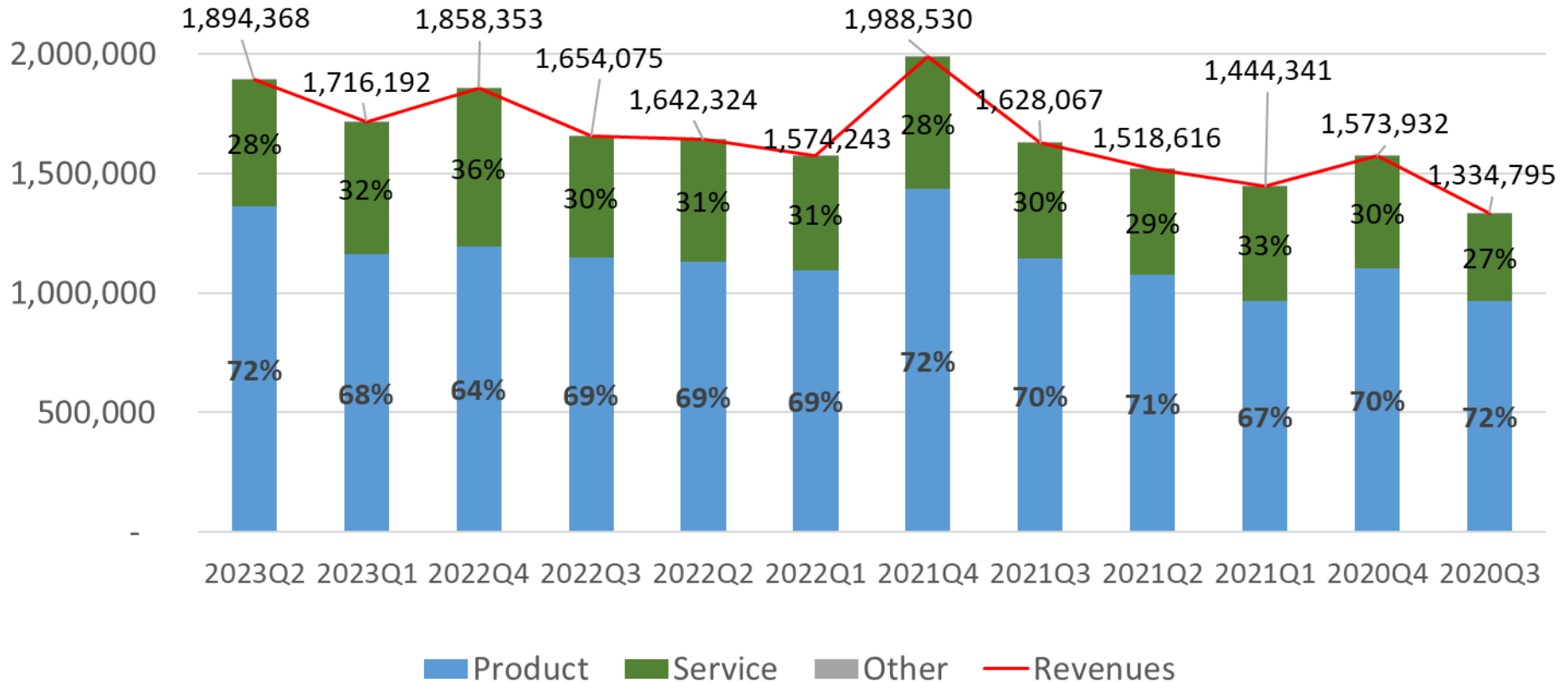
Comparison of Sales Revenues by Region(Accumulated)




Quarterly revenue status

2,500,000

Units:NT\$
thousand





Q & A
Thank you!!



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