

Stark Technology Inc.(2480)

2024Q1 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**
- **619+ Employees**
- **One of the largest domestic system service integrator**
- **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**

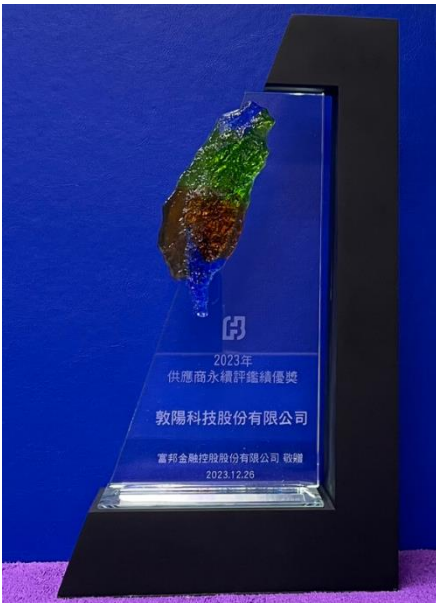
Corporate Governance Evaluation

- Rated as Taiwan's top 21%-35% company over the 10th Corporate Governance Evaluation

Year	Announce Results	STI Percentage	The evaluation results of the market value of more than 5 billion to 10 billion (NTD\$)	Electronics with a market value of more than 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%	
2023(10 th .)	100%	21%-35%	NA	41%-60%

Awards

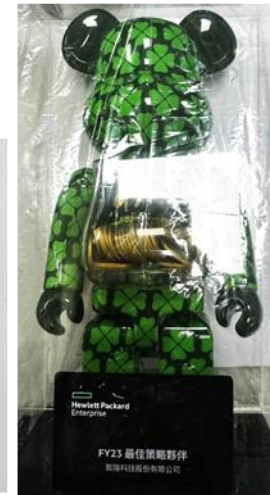
- Fubon Financial Holdings was named "Sustainable Performance Excellent Supplier" in 2023
- Taishin Financial Holdings was named "Excellent Supplier" in 2022



Awards(Continued)

System Products

- 【Cisco】FY22 Reseller of the Year
- 【DELL】2022 Best Hybrid Cloud Solution
- 【Lenovo】FY22&23 Best Solution Sales Award
- 【HPE】FY23 Best strategic partner
- 【HPE】FY23-Best partner Award
- 【IBM】2023 Expanded Industry Customer Achievement Award



Awards(Continued)

Storage Products

【FUJITSU】 2022 Most Valuable Partner

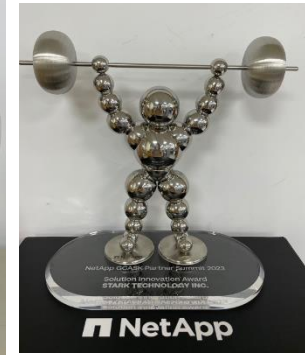
【VMware】 2022-VMware Excellent partner in the central and southern markets

【HDS】 FY22 Best Elite Reseller

【NetApp】 FY23 Outstanding Partner Award

【NetApp】 GCASK Partner Summit 2023 - Solution Innovation Award

【Veeam】 FY23 Platinum Partner of the Year Award



Awards(Continued)

Info. Security/ Data comm. Products

【Palo Alto】FY23 DIAMOND AWARD

【CITRIX】2023 Best Service Provider Award

【CITRIX】2023 Annual Best Contribution Award

【OpenText】2023 Outstanding Cross-Selling Award

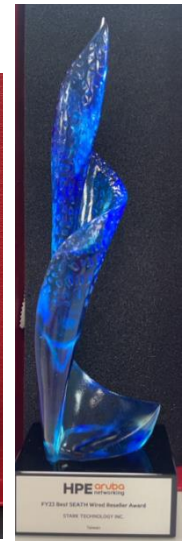
【Cisco】Cisco-SMB FY23 Sales Star of the Year

【HPE ARUBA】FY23 HPE Aruba Champion Partner the Year

【HPE ARUBA】FY23 Best SEATH Wired Reseller Award

【Fortinet】2023 Best Horse Award

【TEAM T5】2023 best sales partner



Awards(Continued)

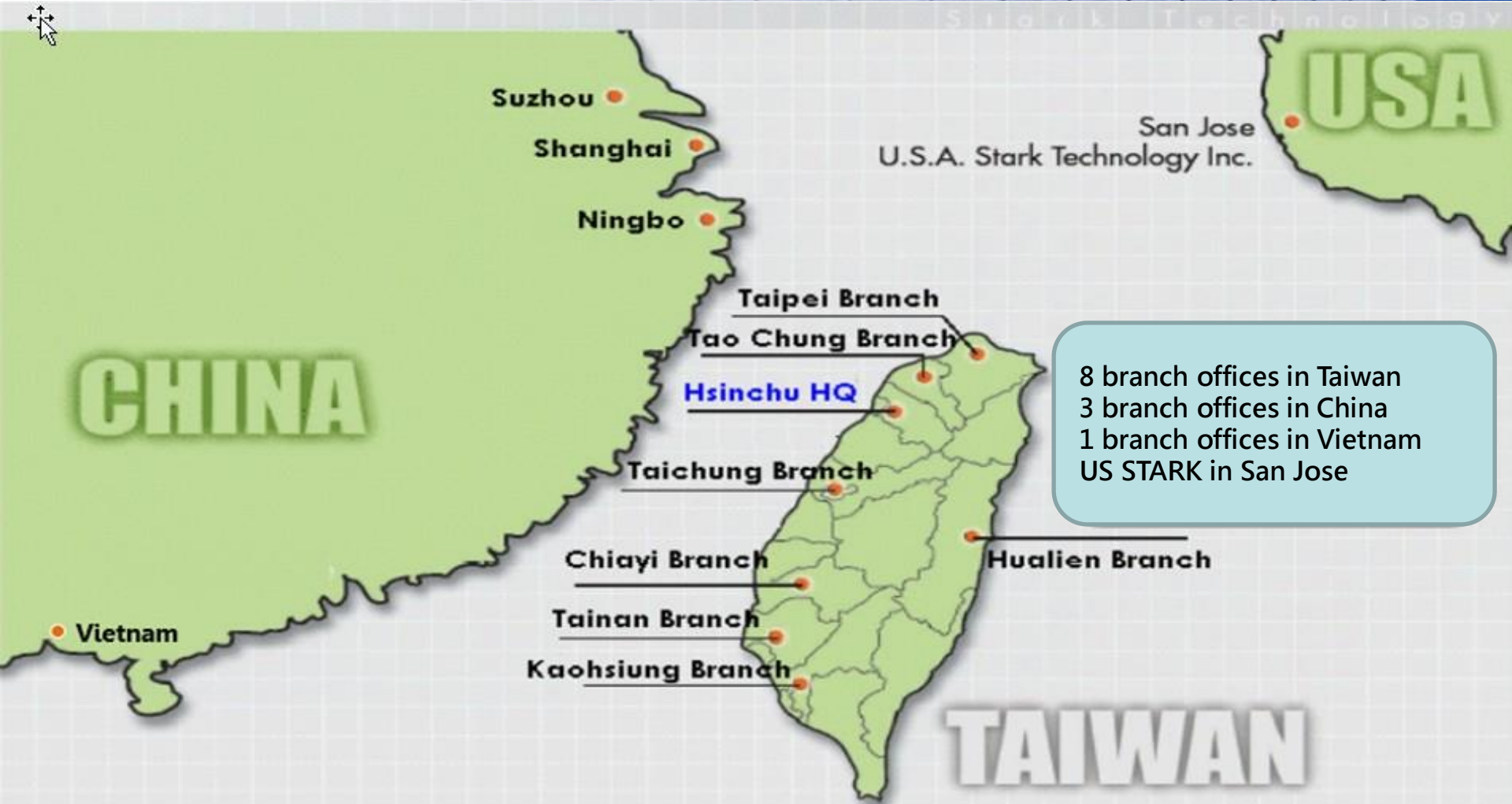
Other Products

【DELL】 2022 Best Hybrid Cloud Solution

【NUTANIX】 FY23 Best Reseller parnert



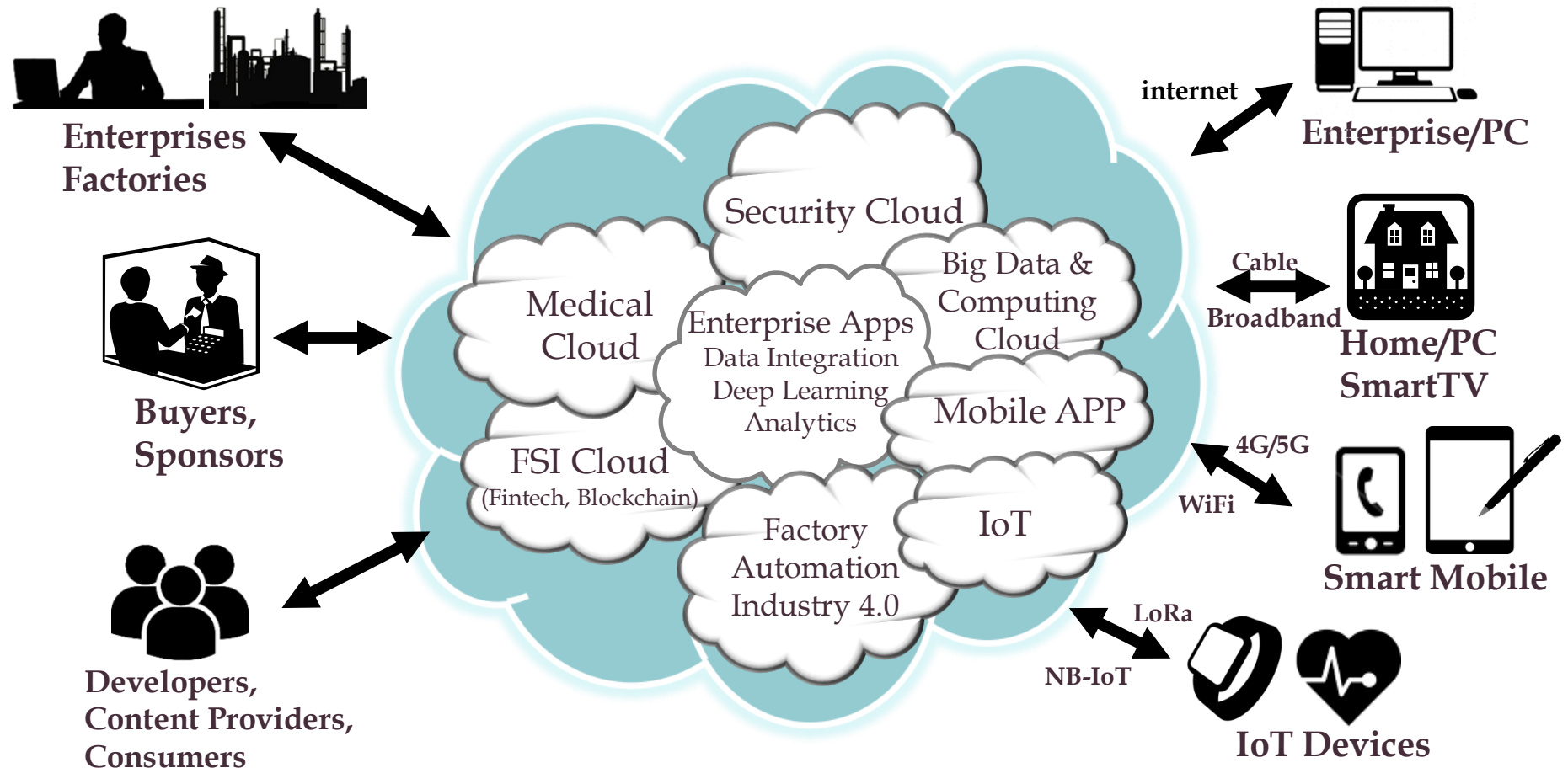
STI Service Network



Sales Operation - by Industries

Sales BU	Industry / Region
BU1	High-tech industries, E-commerce, Finance, Automobiles, Government, and Education, the main area in Hsinchu and middle Taiwan.
BU2	High-tech manufacturing, Defense, Military, Traditional production, Education, and Medical care, the main area in Hsinchu、Taoyuan、middle 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

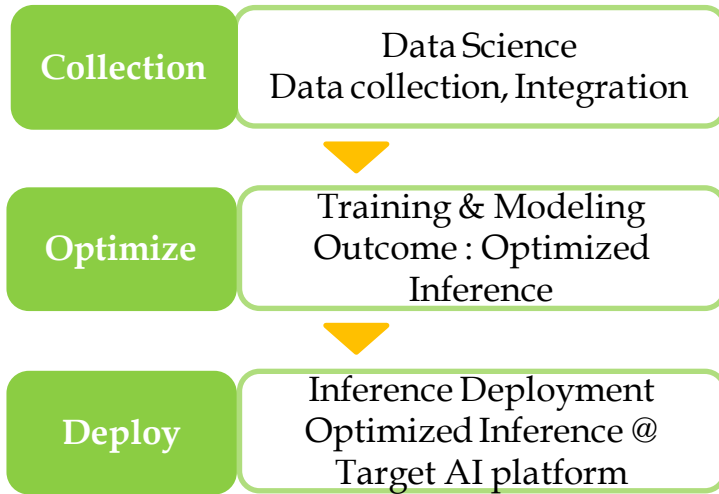
System & Platform *Resource Mgmt (CPU/GPU/VM/Container/Bare Metal)*

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

AI(Machine · Deep Learning)



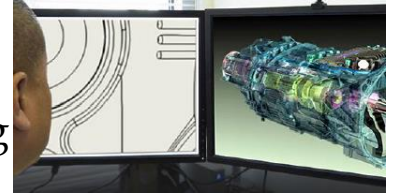
Customer Requirements



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

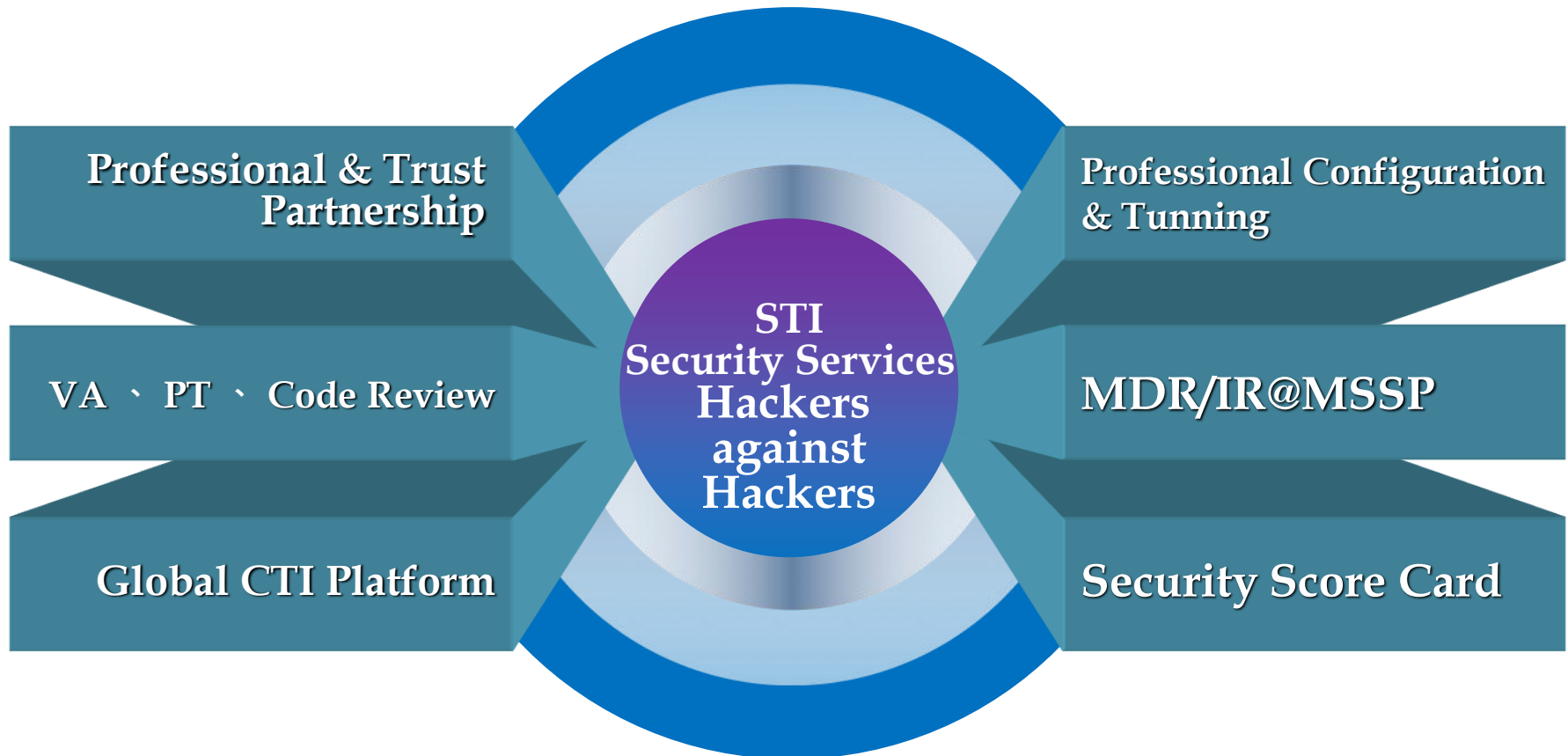
Academic Alliance to
redefine enterprise AI
smart technology



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

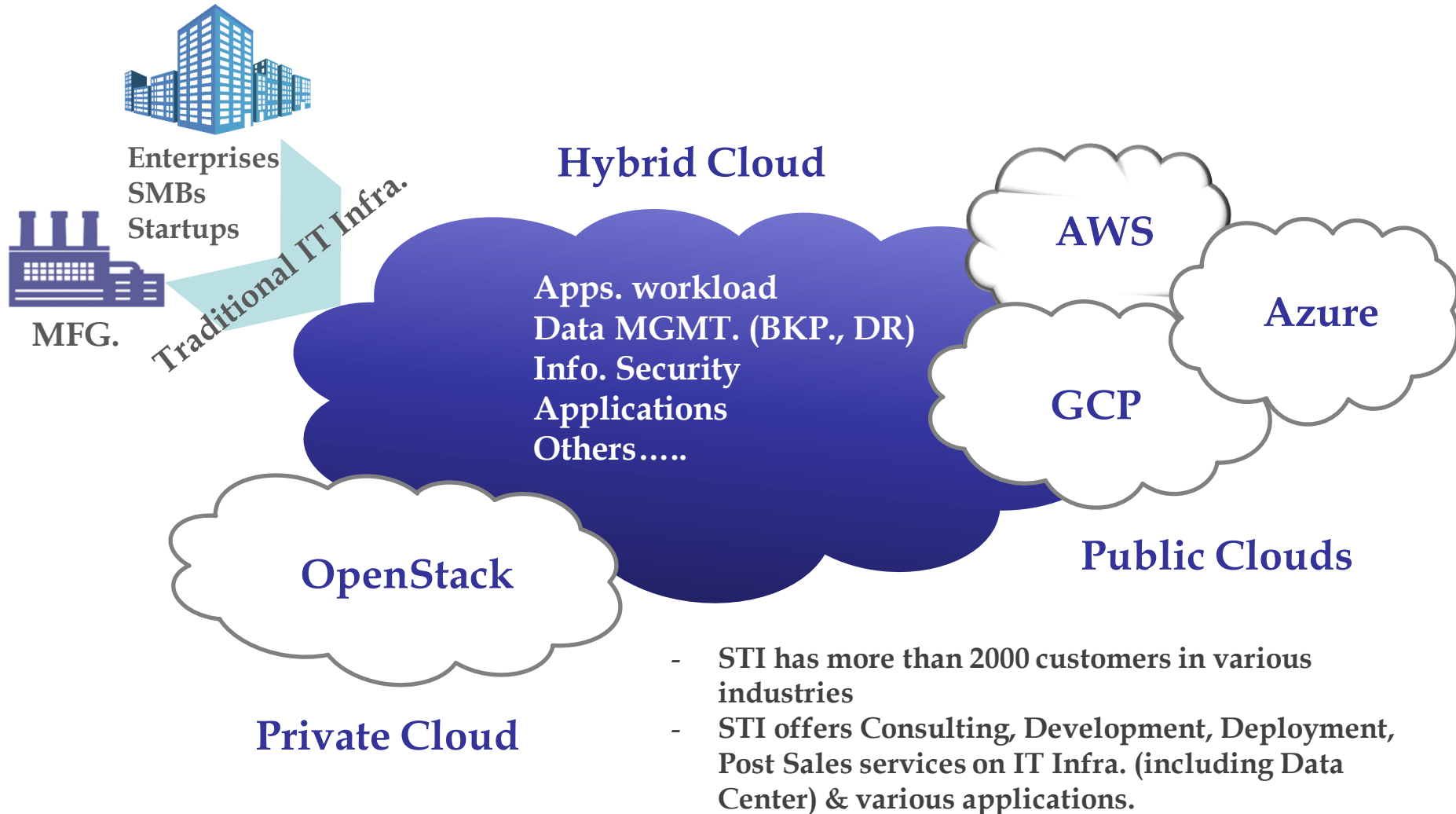
Endpoint
Security

Data
Security

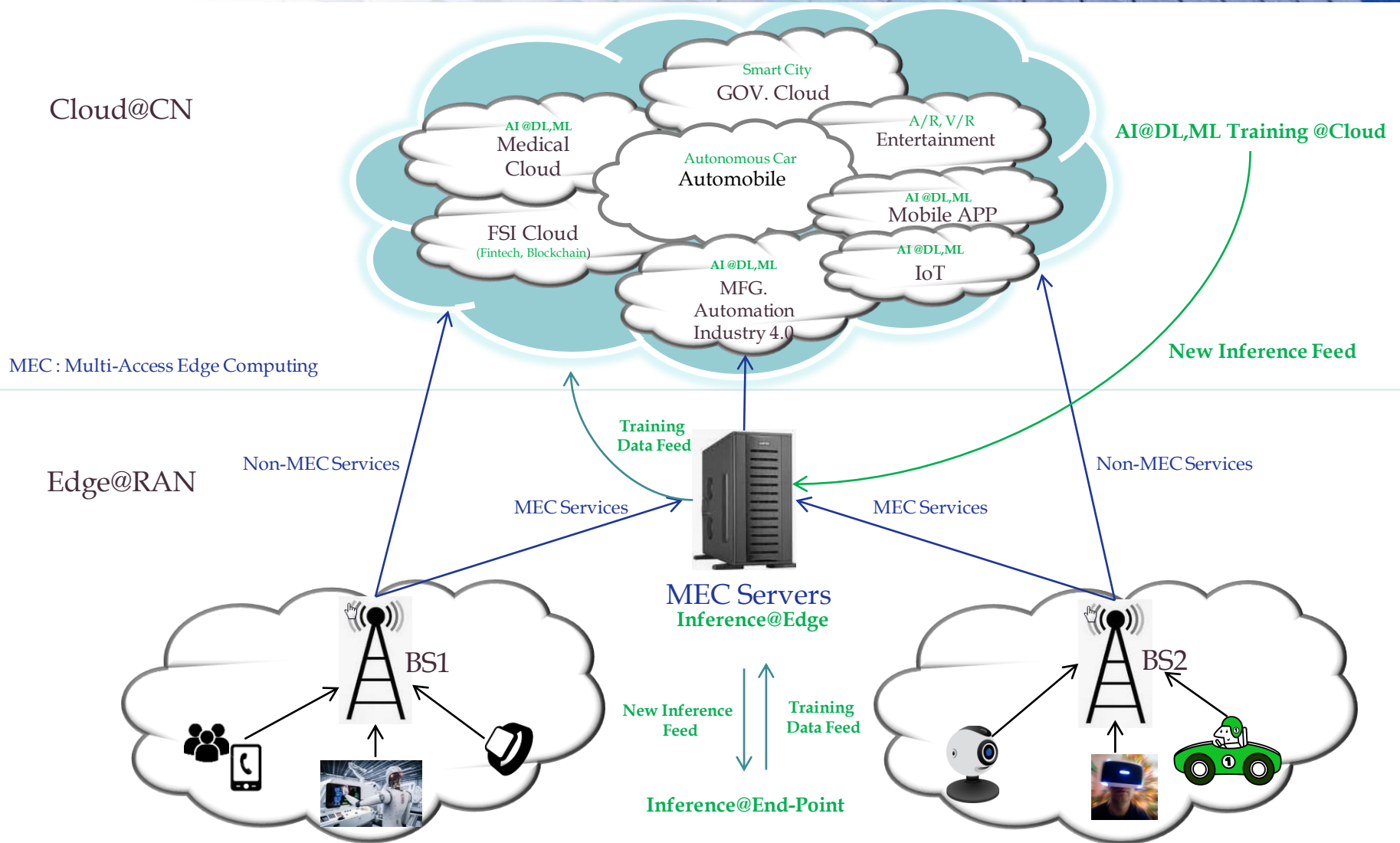
Mobile
Security

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	2024/3/31		2023/12/31		2023/3/31	
	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,476,972	22%	1,834,358	28%	1,496,255	23%
Accounts receivable (including contract assets)	833,677	13%	874,580	13%	911,922	14%
Inventories	2,584,665	39%	2,282,771	34%	2,541,604	39%
Property,Plant and equipment	498,580	8%	495,515	7%	438,319	7%
Total Assets	6,646,666	100%	6,668,449	100%	6,571,002	100%
Current Liabilities	3,775,851	57%	3,315,201	50%	3,772,789	57%
Total Liabilities	3,856,363	58%	3,398,498	51%	3,878,611	59%
Equity	2,790,303	42%	3,269,951	49%	2,692,391	41%

Source: Market Observation Post System

Income Statements Overview (Consolidated)

Units: NT\$ thousand

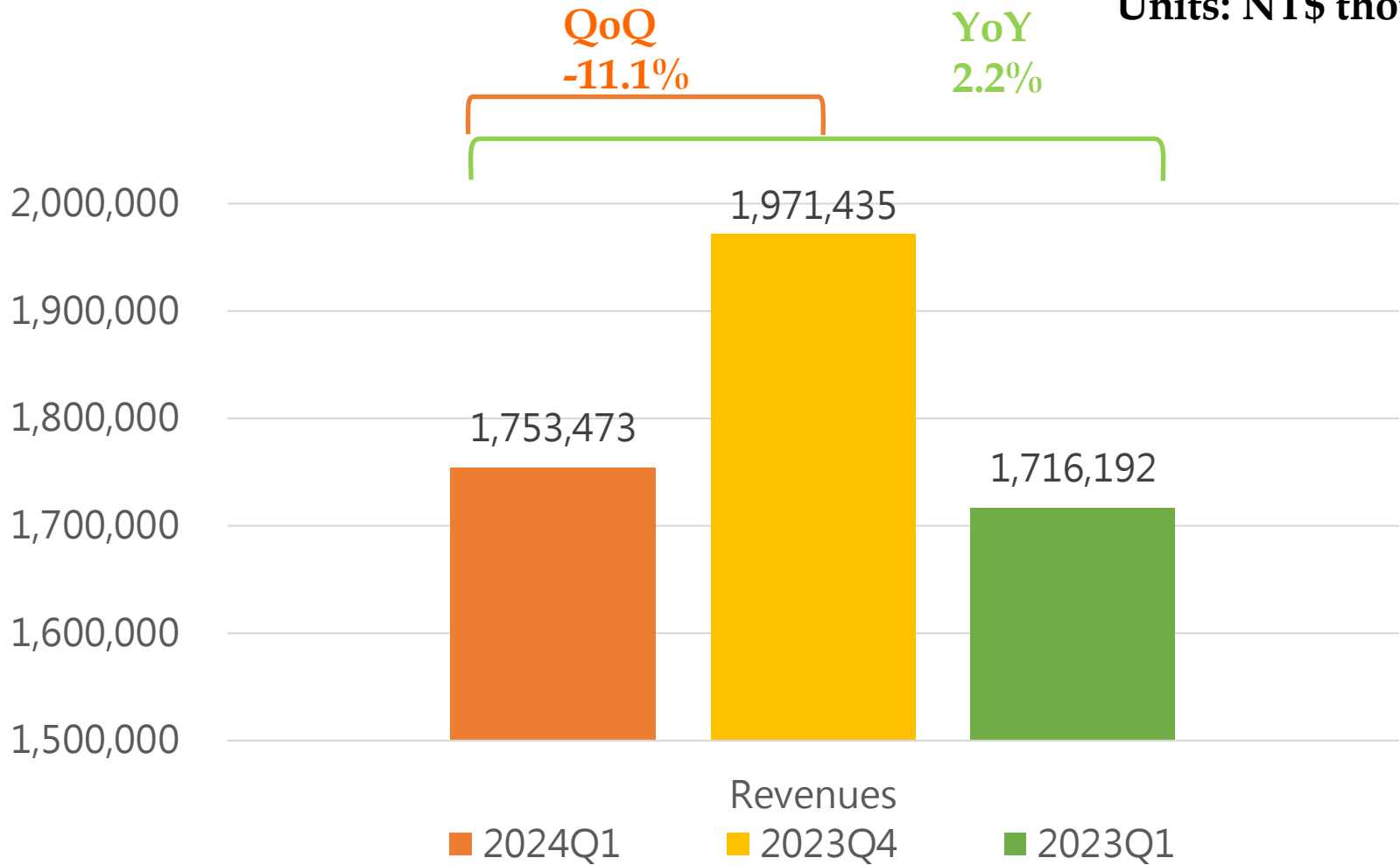
Item	2024 Jan.-Mar.		2023 Jan.-Mar.		YOY
	AMT	%	AMT	%	
Revenues	1,753,473	100%	1,716,192	100%	2.2%
Gross profit	446,495	25%	444,119	26%	0.5%
Operating expense	221,156	12%	206,072	12%	7.3%
Operating income	225,339	13%	238,047	14%	-5.3%
Other income	32,868	2%	19,147	1%	71.7%
Pre-tax income	258,207	15%	257,194	15%	0.4%
Net income	206,230	12%	211,515	12%	-2.5%
EPS(NT\$)	1.94		1.99		-2.5%

Source: Market Observation Post System

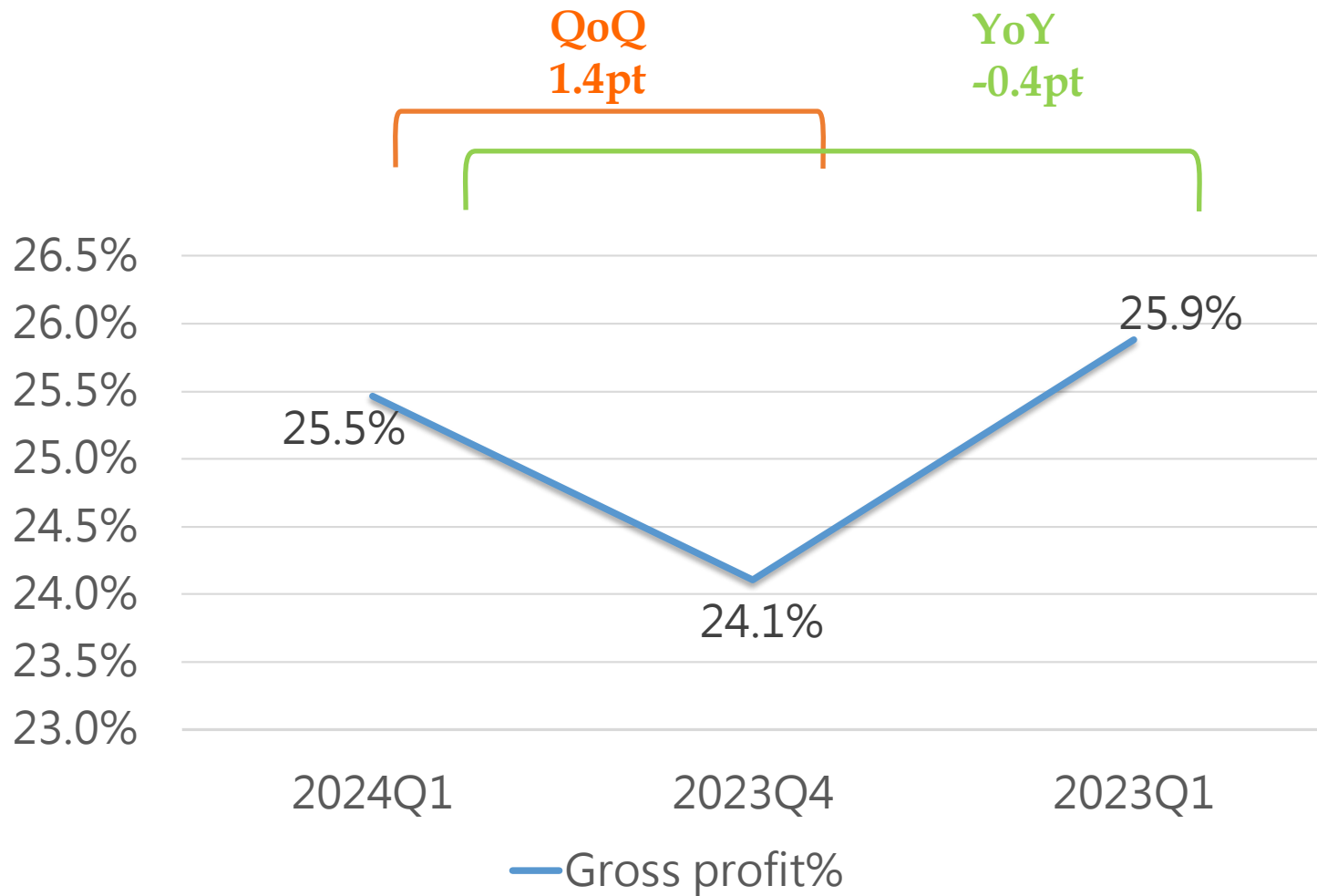
Note:China subsidiary's revenue of consolidated: 2024Q1 1.9%; 2023Q1 1.56%

Consolidated Revenues

Units: NT\$ thousand



Consolidated Gross profit%

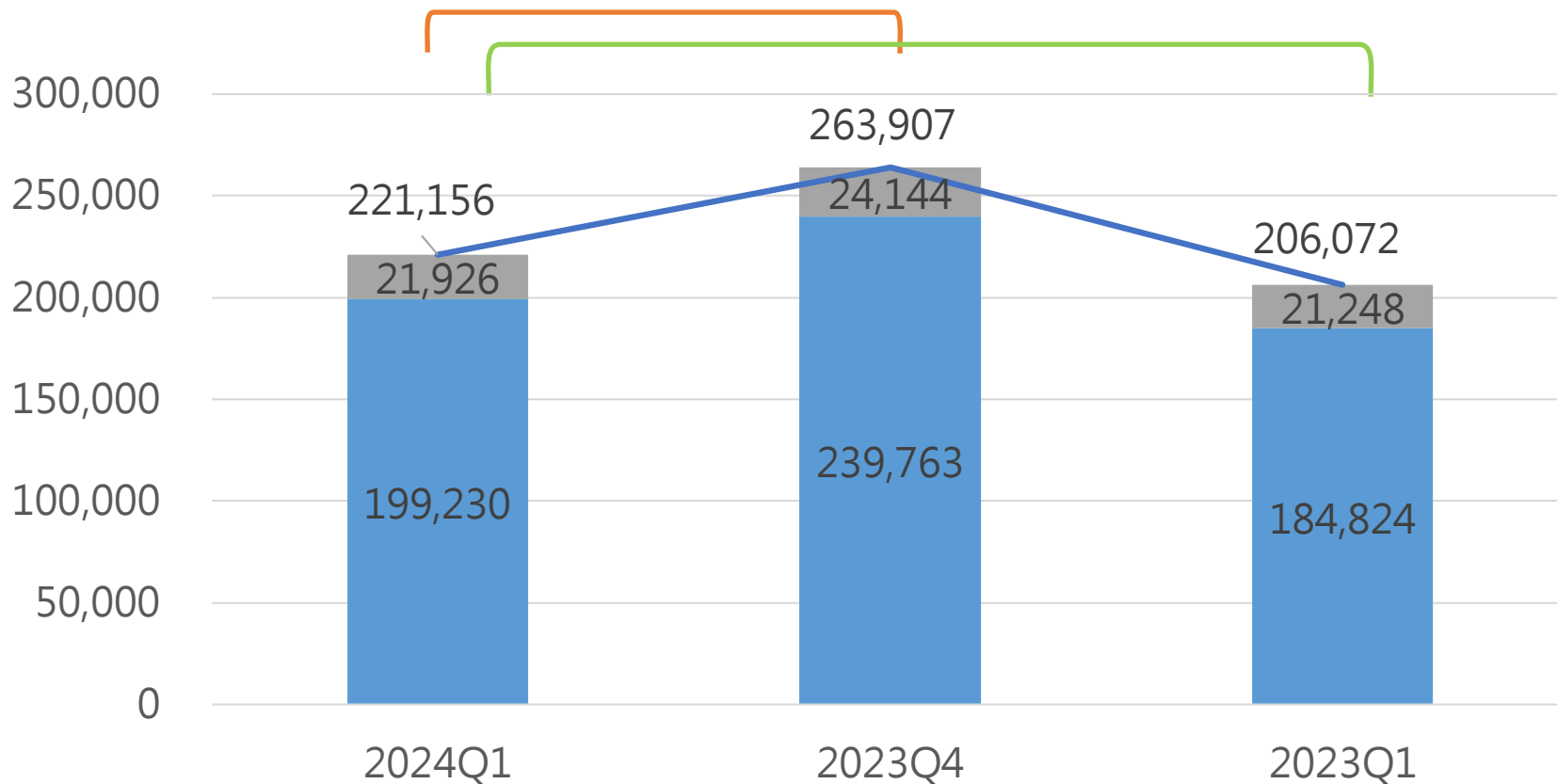


Consolidated Operating expenses

QoQ
-16.2%

YoY
7.3%

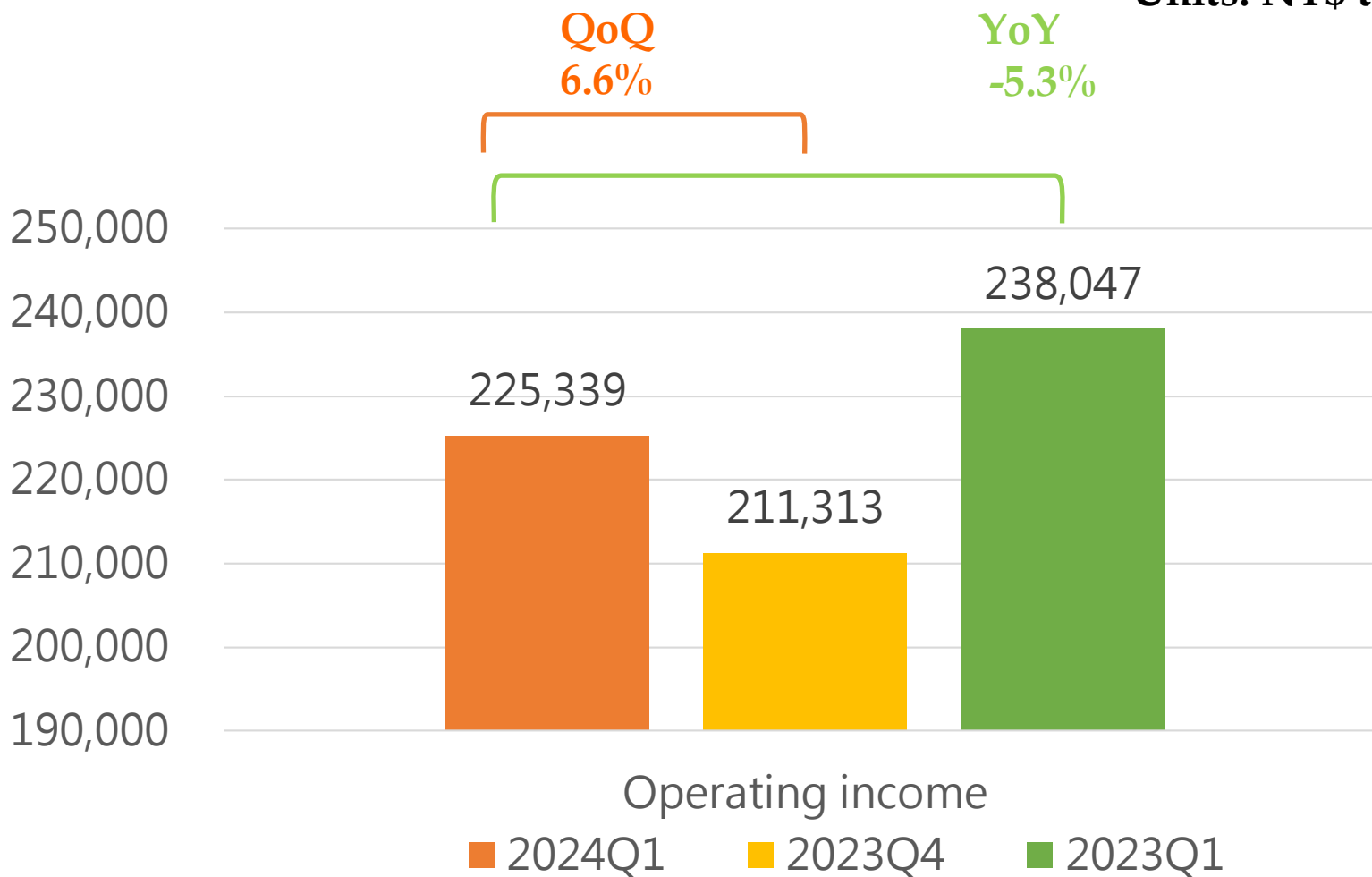
Units: NT\$ thousand



■ Administrative expenses ■ Research and development expenses — Operating expenses

Consolidated Operating income

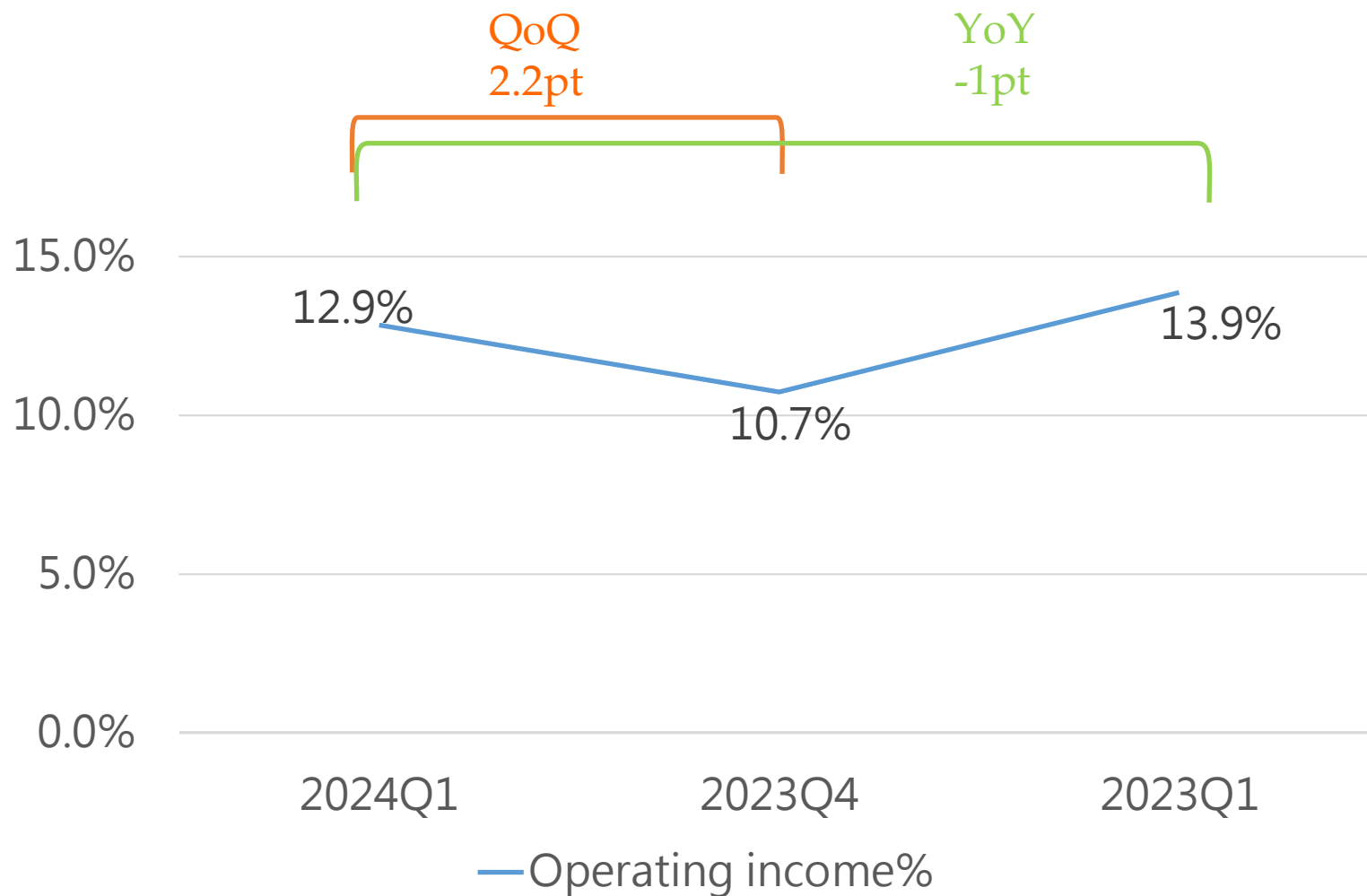
Units: NT\$ thousand



Stark Technology Inc.

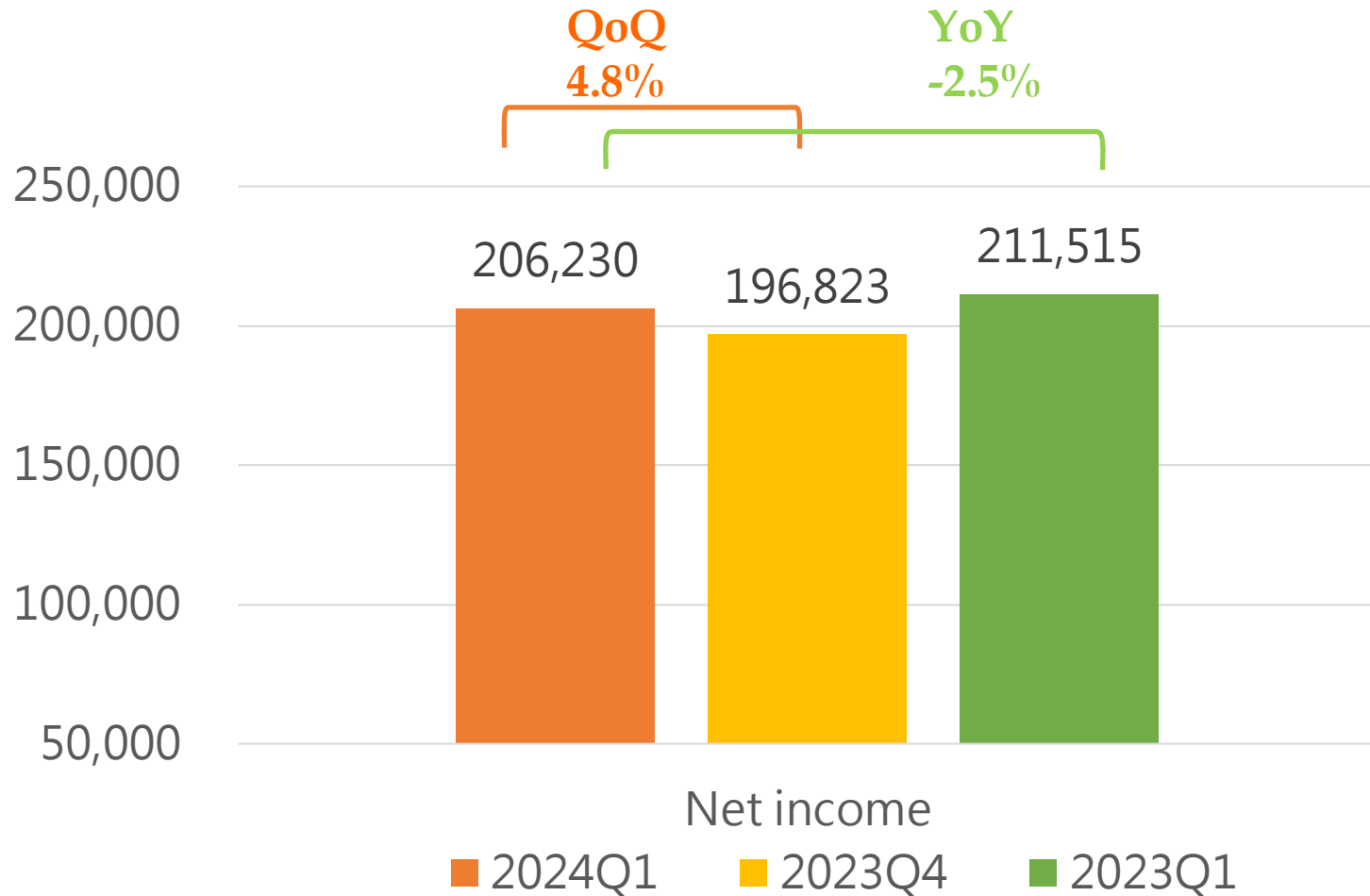
敦陽科技股份有限公司

Consolidated Operating income⁰%

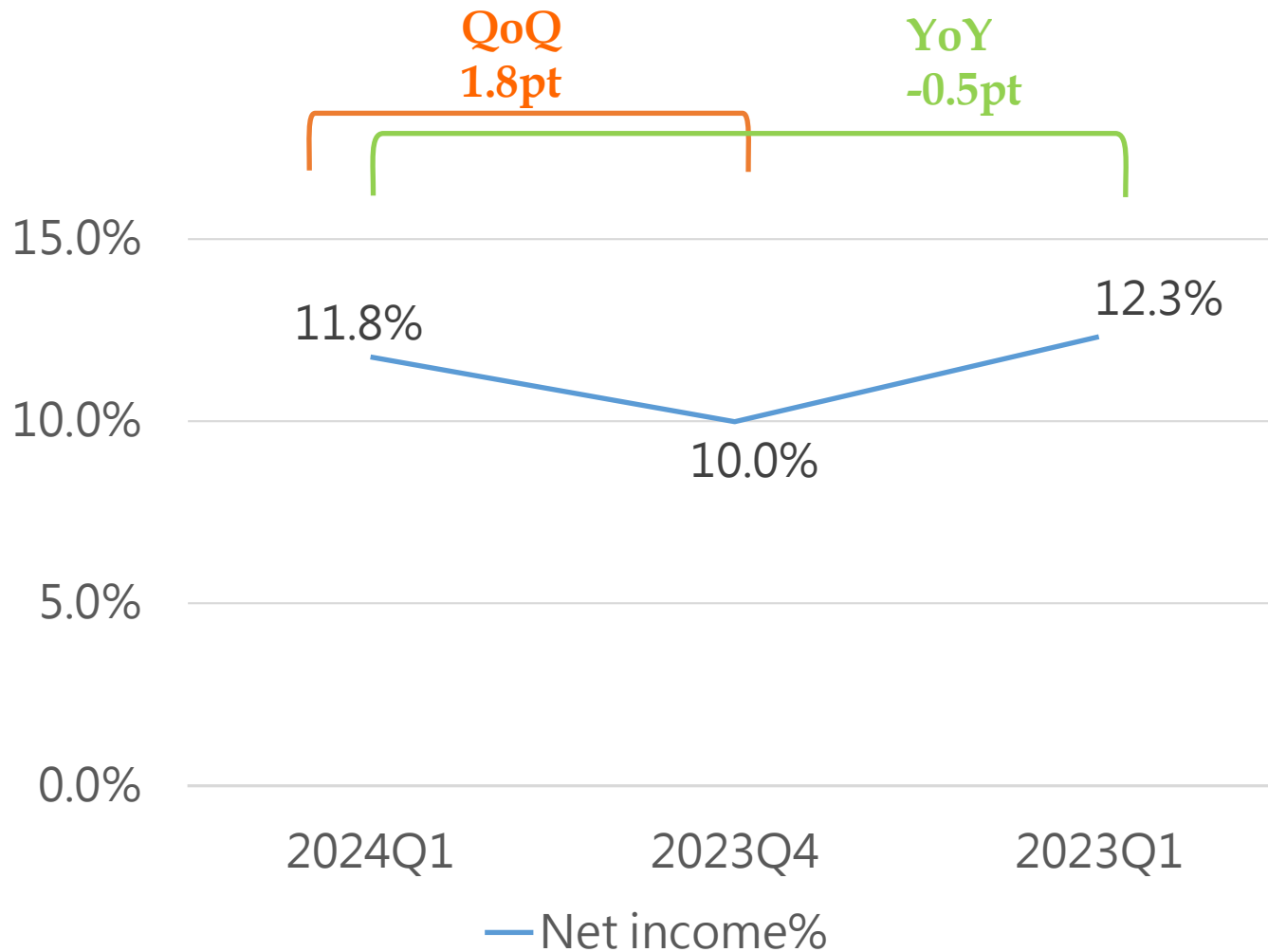


Consolidated Net income

Units: NT\$ thousand

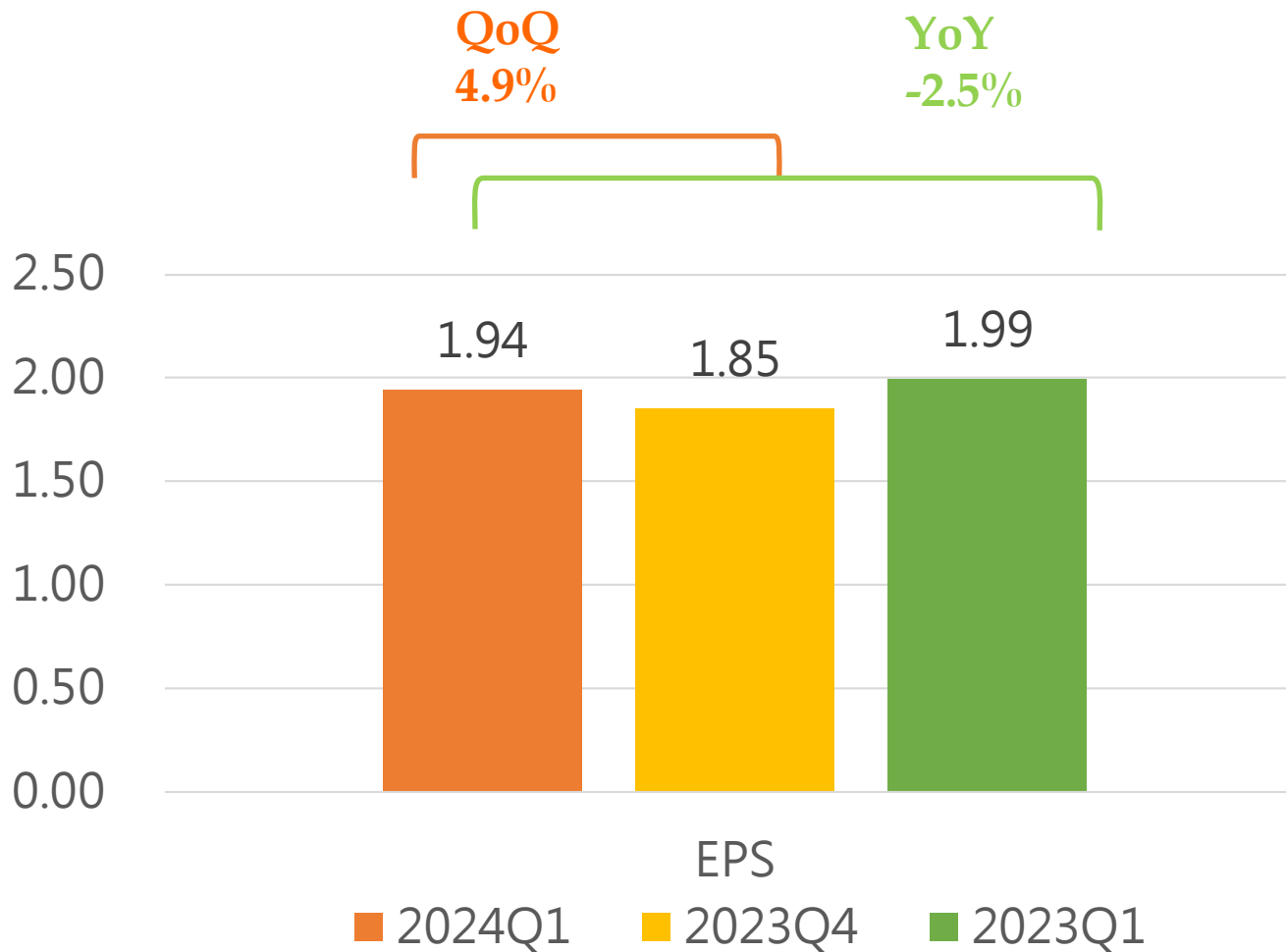


Consolidated Net income⁰%

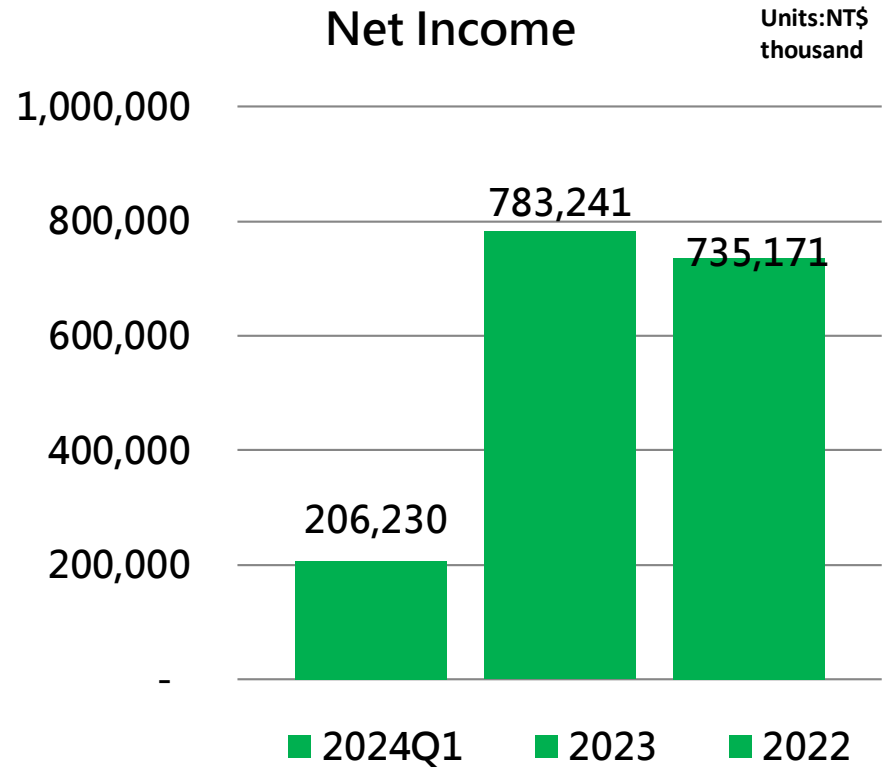
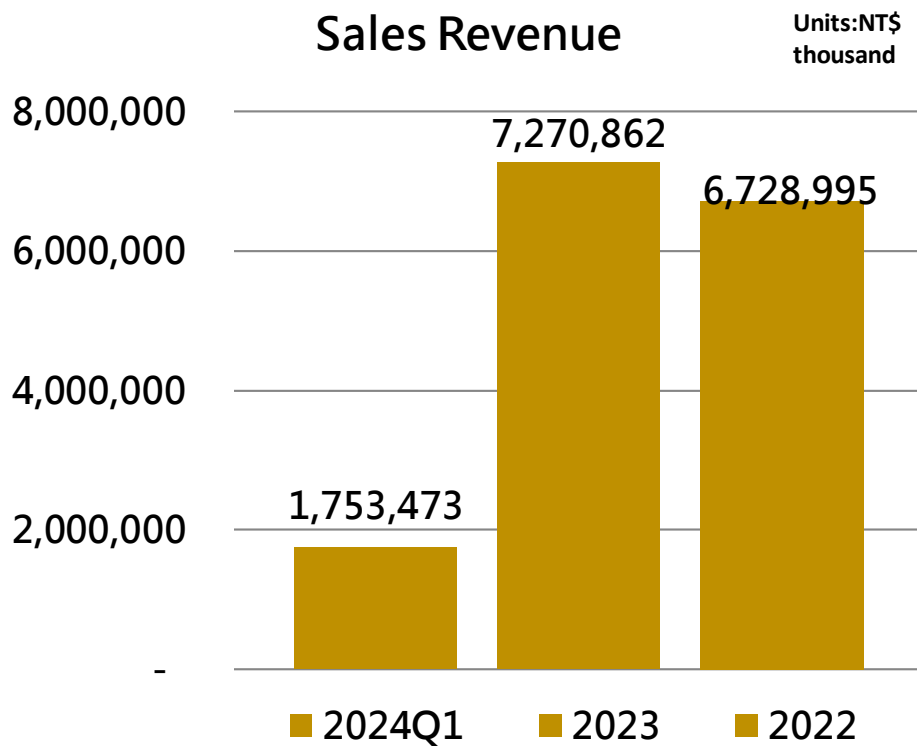


Consolidated EPS

Units: NT\$



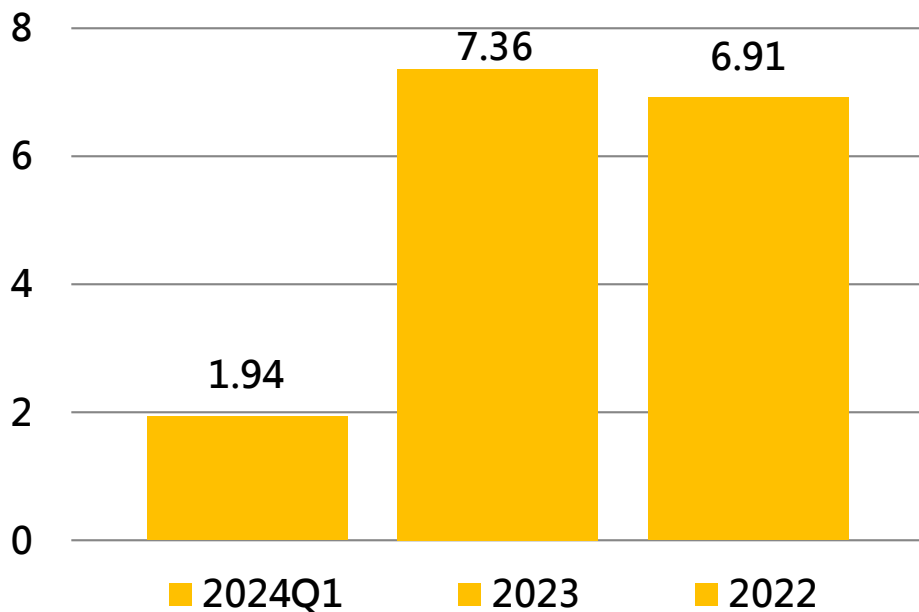
Sales Revenue & Net Income



EPS & Capital

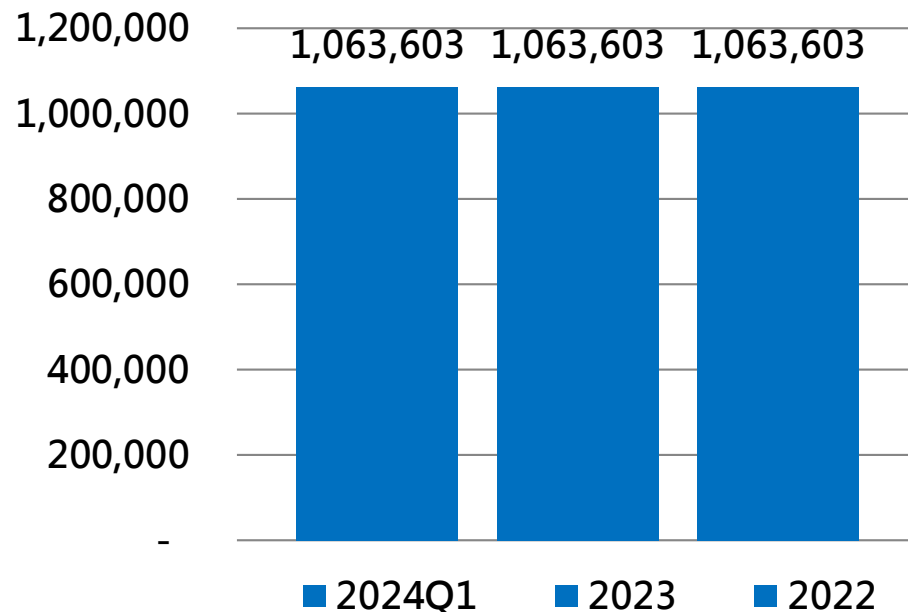
EPS

Units:NT\$



Capital

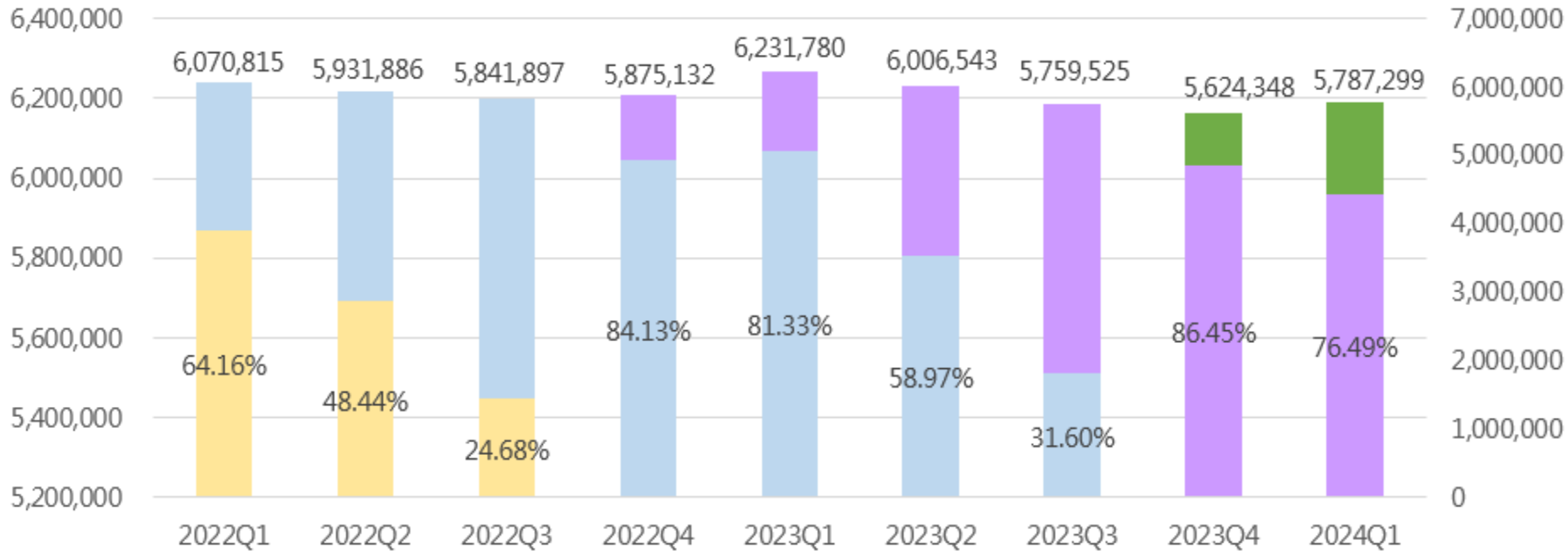
Units:NT\$ thousand



	2024Q1	2023	2022
ROE	6.81	24.49	23.93

Allocation of transaction price into unfulfilled contractual obligations

Units: NT\$ thousand



	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1
Allocation of transaction price into unfulfilled contractual obligations	6,070,815	5,931,886	5,841,897	5,875,132	6,231,780	6,006,543	5,759,525	5,624,348	5,787,299
Estimated Fulfill Ratio of 2022/2023/2024	64.16%	48.44%	24.68%	84.13%	81.33%	58.97%	31.60%	86.45%	76.49%
Estimated Fulfill Amount of 2022/2023/2024	3,895,035	2,873,406	1,441,780	4,942,749	5,068,307	3,542,058	1,820,010	4,862,249	4,426,705
Estimated Fulfill Amount After 2023/2024/2025	2,175,780	3,058,480	4,400,117	932,383	1,163,473	2,464,485	3,939,515	762,099	1,360,594

Dividends Policy

※Dividends in recent years

Units:NT\$

Year	2023	2022	2021	2020	2019	2018	2017	2016
Amount	6.64	6.26	5.62	4.3	4.45	3.42	2.62	2.1

※EPS in recent years

Units:NT\$

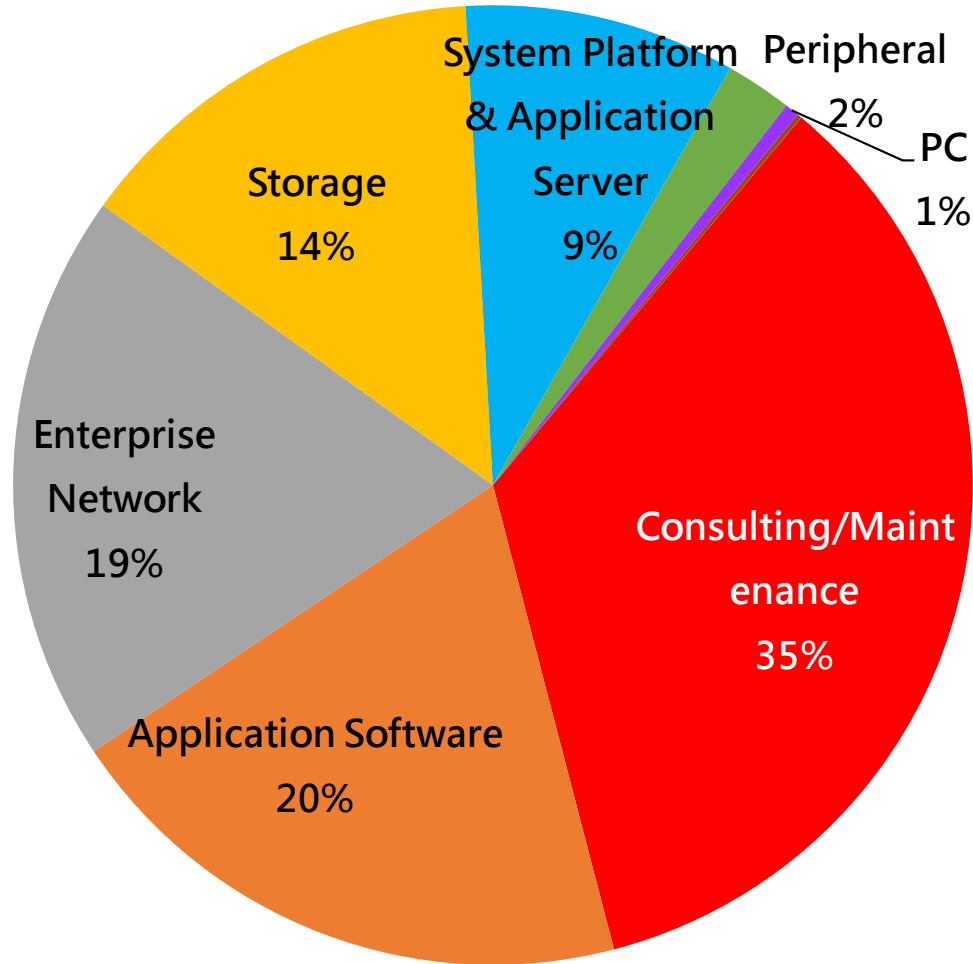
Year	2023	2022	2021	2020	2019	2018	2017	2016
Amount	7.36	6.91	6.0	4.68	4.2	3.8	2.56	2.25

※Payout ratio in recent years

Units:%

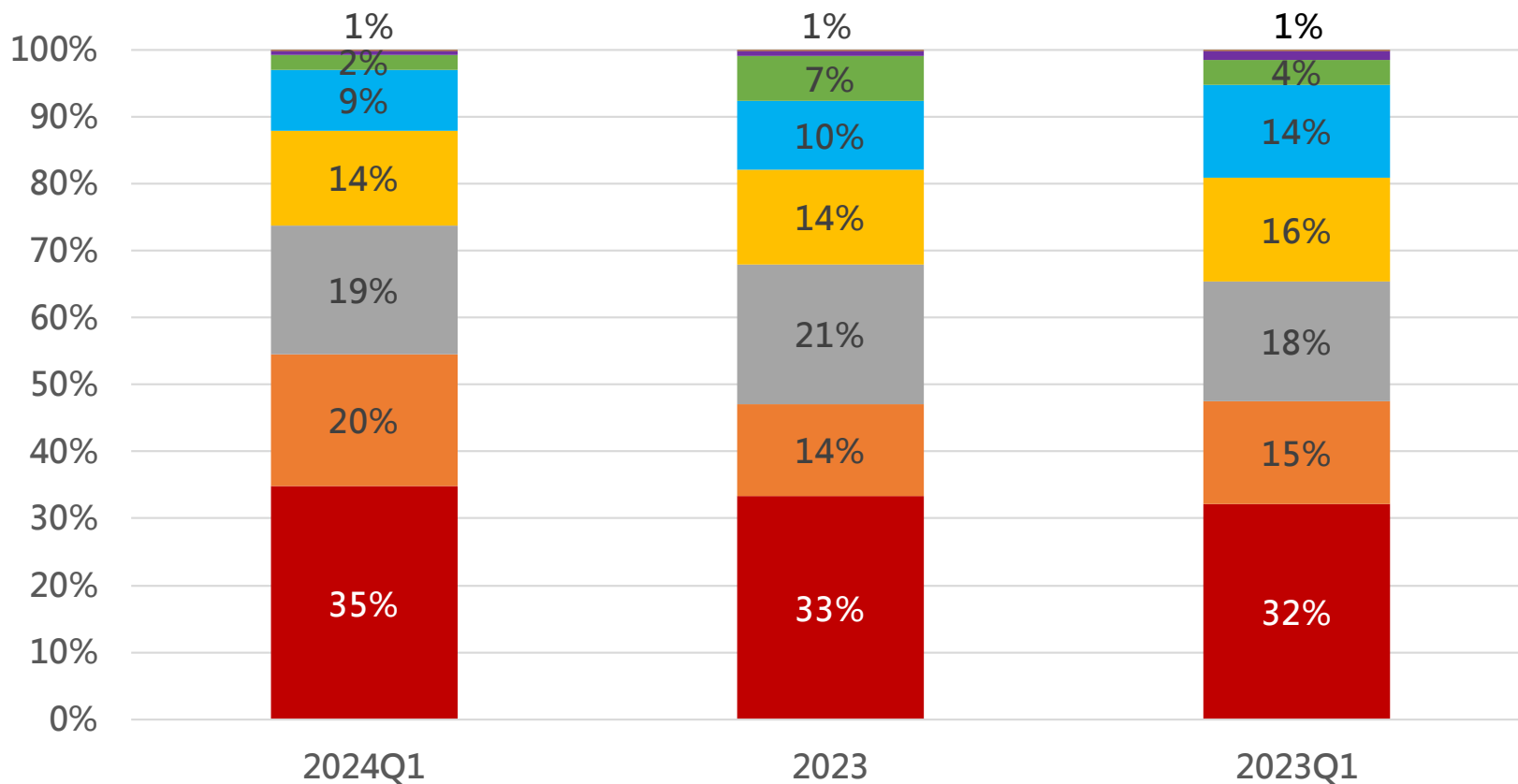
Year	2023	2022	2021	2020	2019	2018	2017	2016
Ratio	90.2%	90.6%	93.7%	91.9%	106.0%	90.0%	102.3%	93.3%

2024Q1 Sales Revenues by Type



Revenue: 1.753 billion

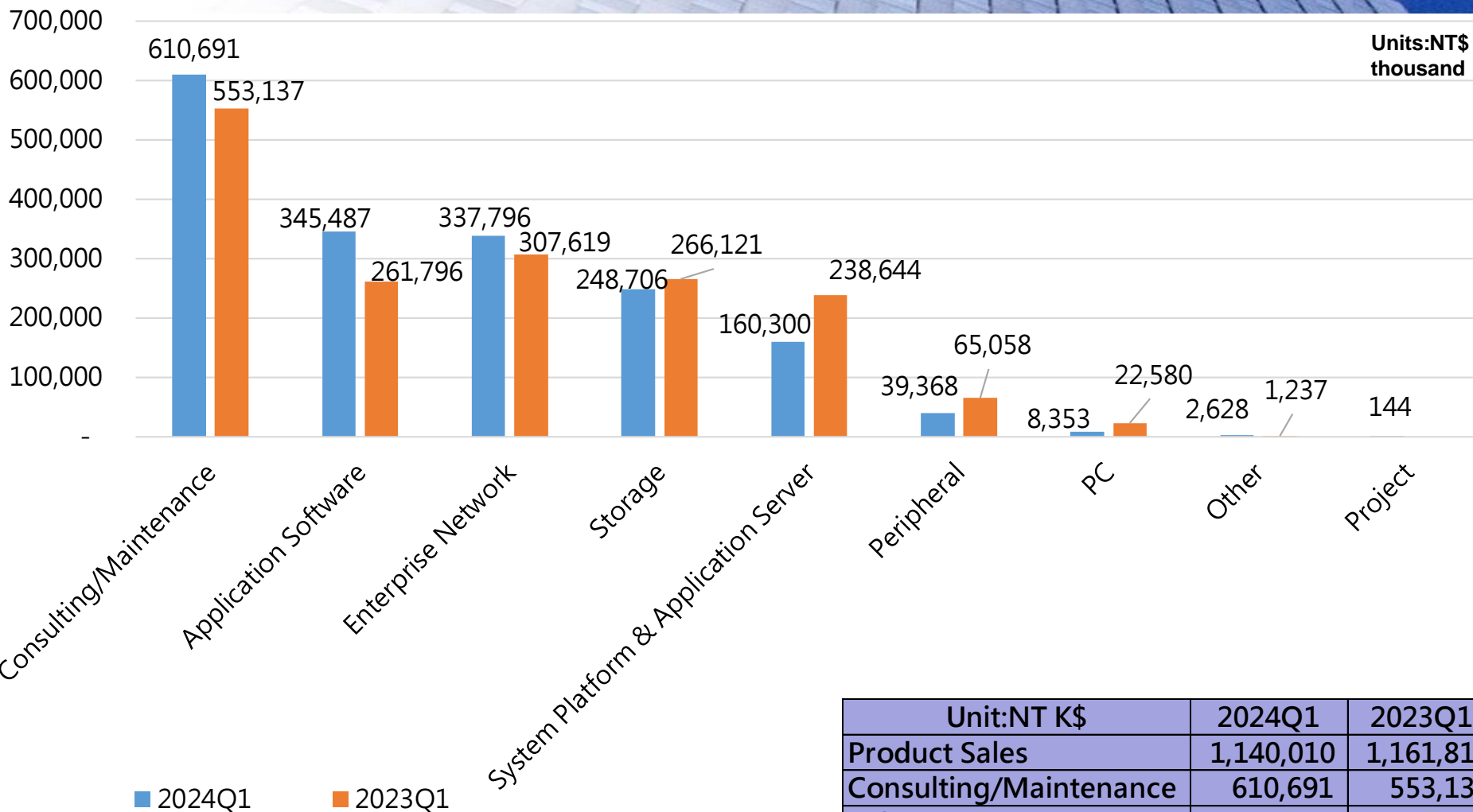
Comparison of Sales Revenues by Type



- Consulting/Maintenance
- Enterprise Network
- System Platform & Application Server
- PC

- Application Software
- Storage
- Peripheral
- Other

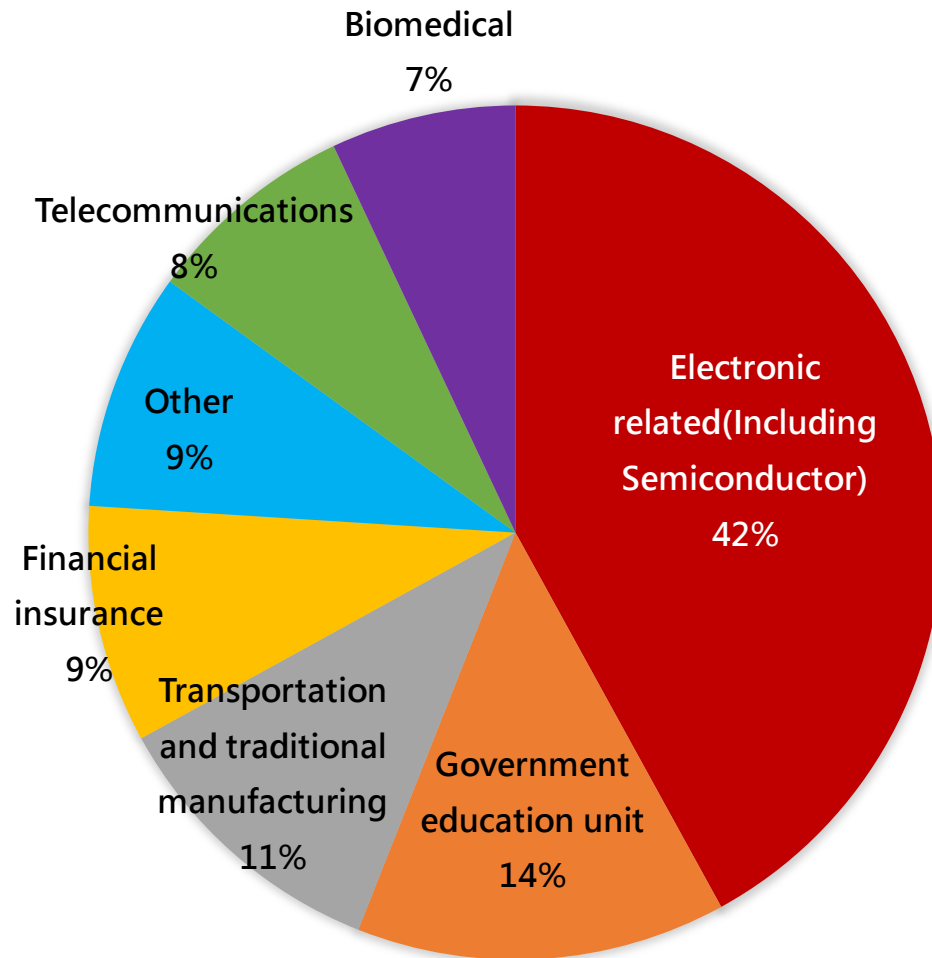
Compare Sales Revenues by Type



Revenue: 1.753 billion Revenue: 1.716 billion

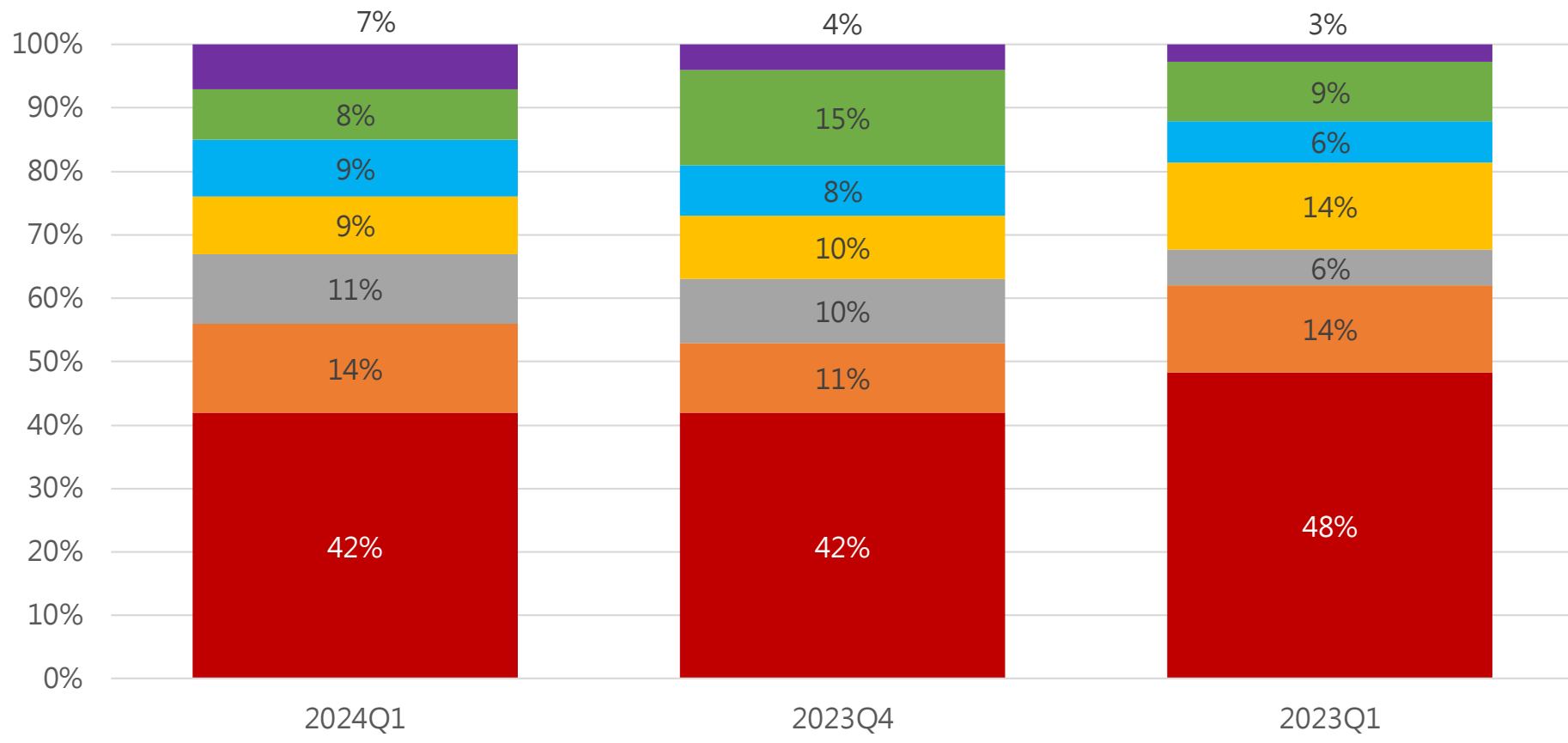
Unit: NT K\$	2024Q1	2023Q1
Product Sales	1,140,010	1,161,818
Consulting/Maintenance	610,691	553,137
Other	2,772	1,237
Total	1,753,473	1,716,192

2024Q1 Sales Revenues by Industry



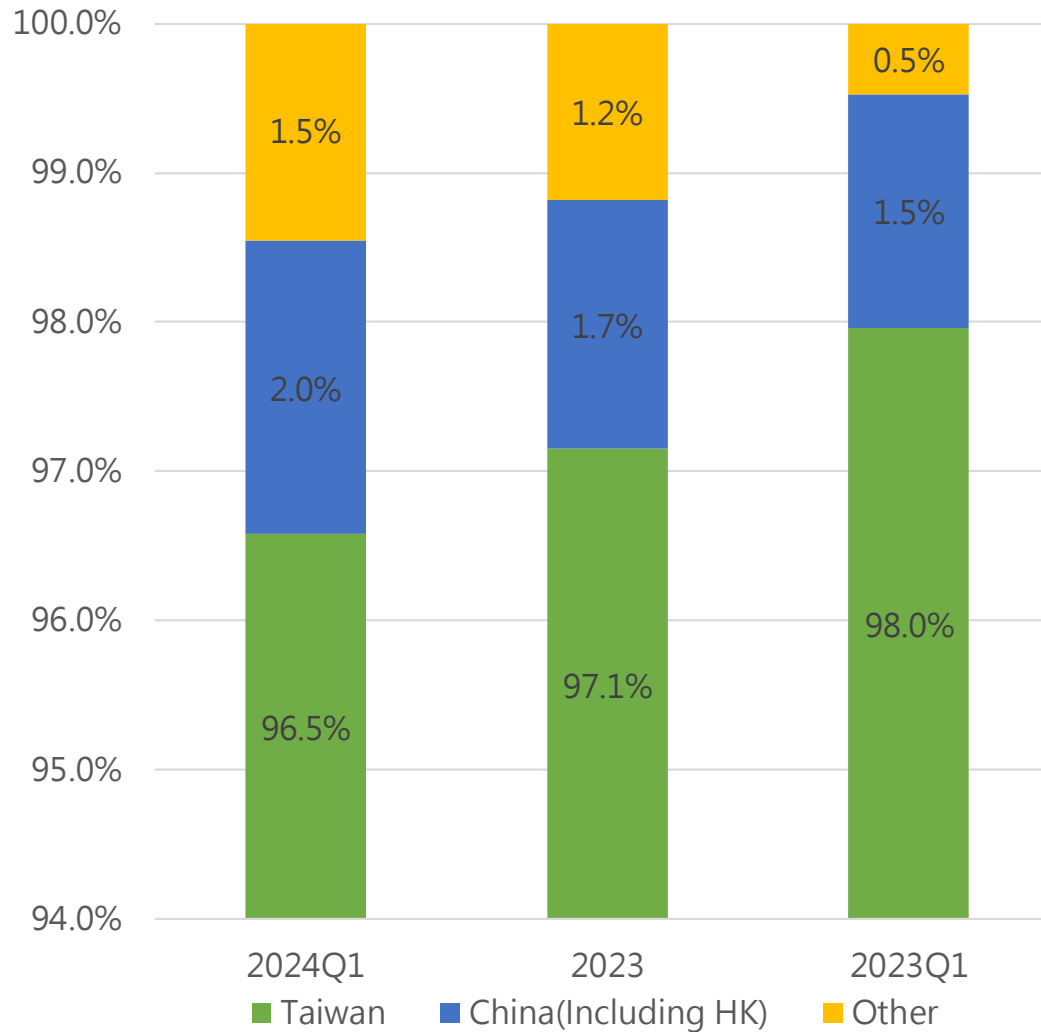
Revenue: 1.753 billion

Comparison of Sales Revenues by Industry(Accumulated)



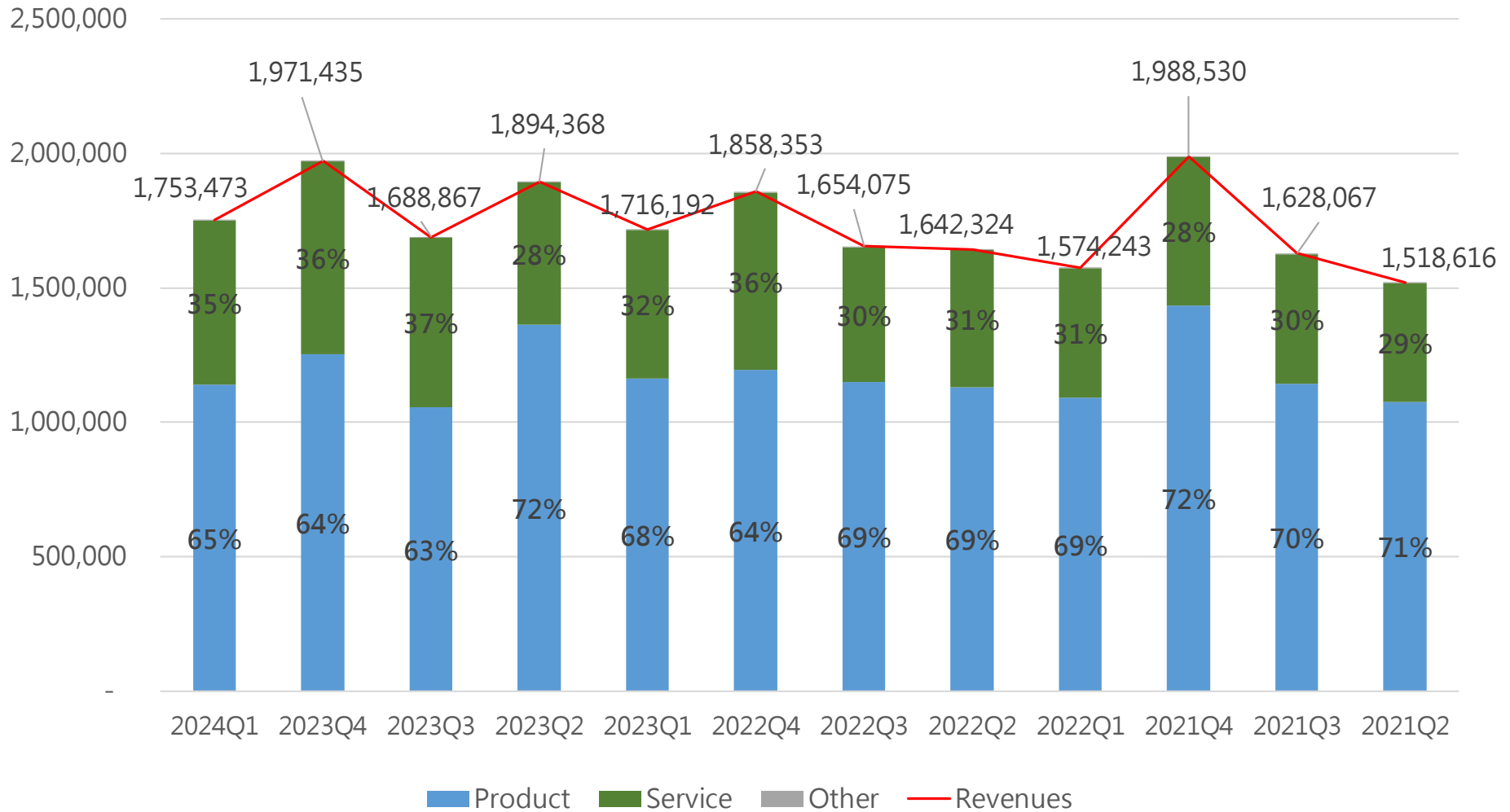
- Electronic related(Including Semiconductor)
- Government education unit
- Transportation and traditional manufacturing
- Financial insurance
- Other
- Telecommunications
- Biomedical

Comparison of Sales Revenues by Region(Accumulated)



Quarterly revenue status

Units:NT\$
thousand



Product Service Other Revenues



Q & A
Thank you!!



Stark Technology Inc.
敦陽科技股份有限公司