

Stark Technology Inc.(2480)

2020Q4 Investor Conference

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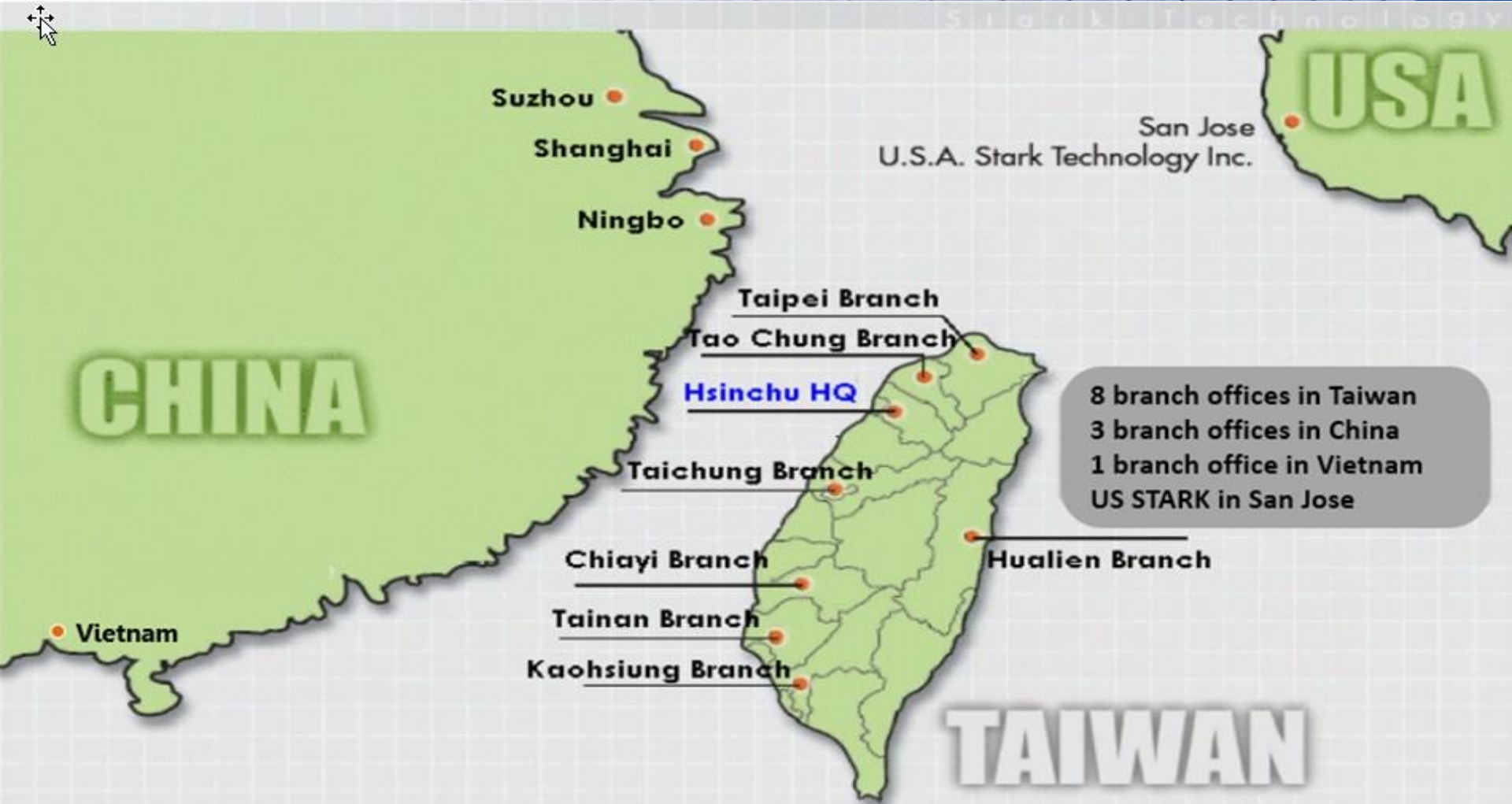
STI General Information

- **Founded in 1993, public traded in 2001**
- **521+ Employees**
- **The largest domestic system integrator in Taiwan**
- **One of Taiwan's top 500 service enterprises company.**
- **Rated as Taiwan's top 6% - 20% company over the 6th Corporate Governance Evaluation**
- **2020/07 Included in the "Corporate Governance 100 Index"**
- **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**

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**
- **IBM_2020 Best LinuxOne Breakout Award**
- **NetApp_FY20 Best partner Award**
- **HPE FY20 Best partner Award**

STI Service Network



Stark Technology Inc.

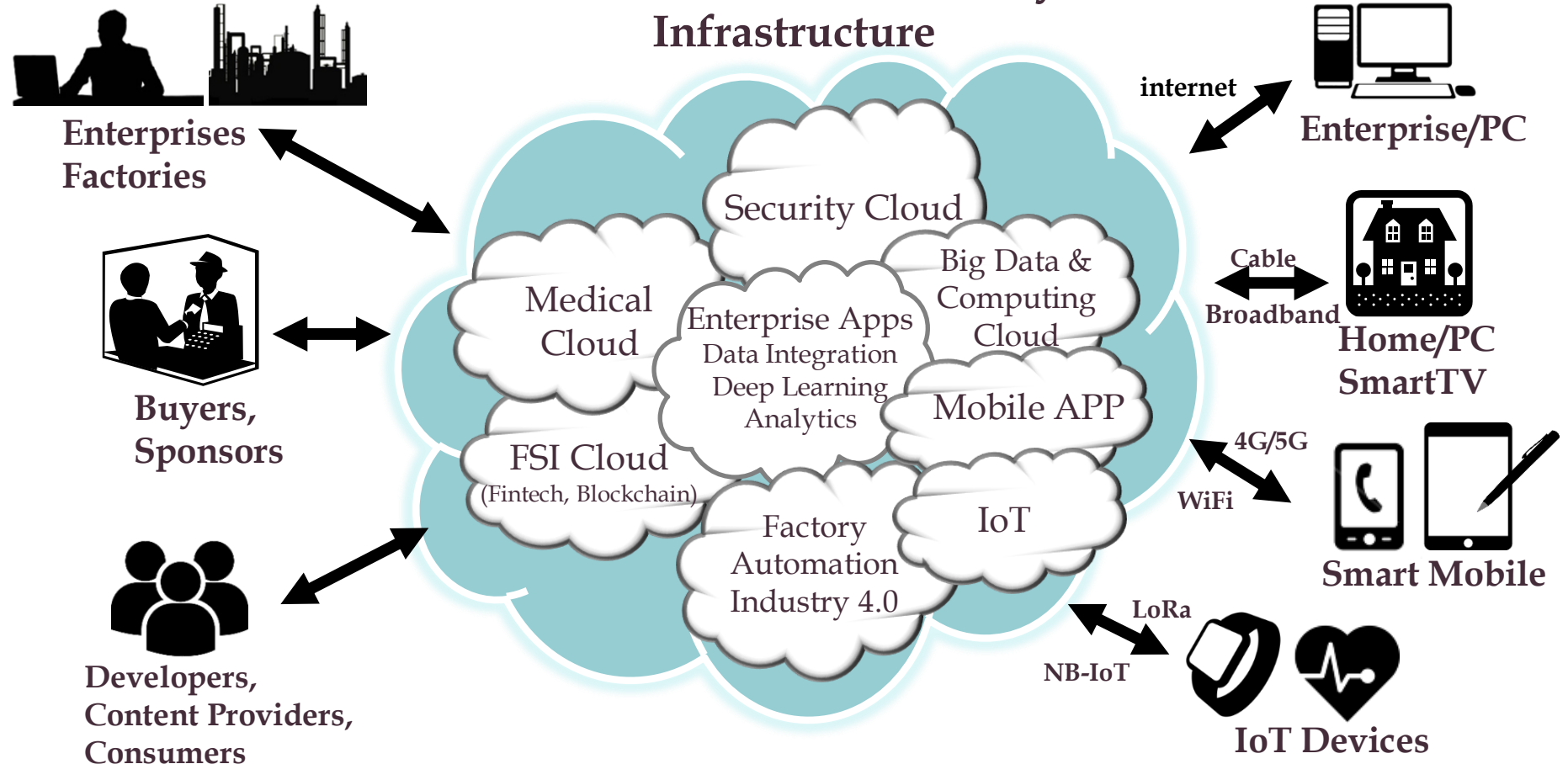
敦陽科技股份有限公司

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



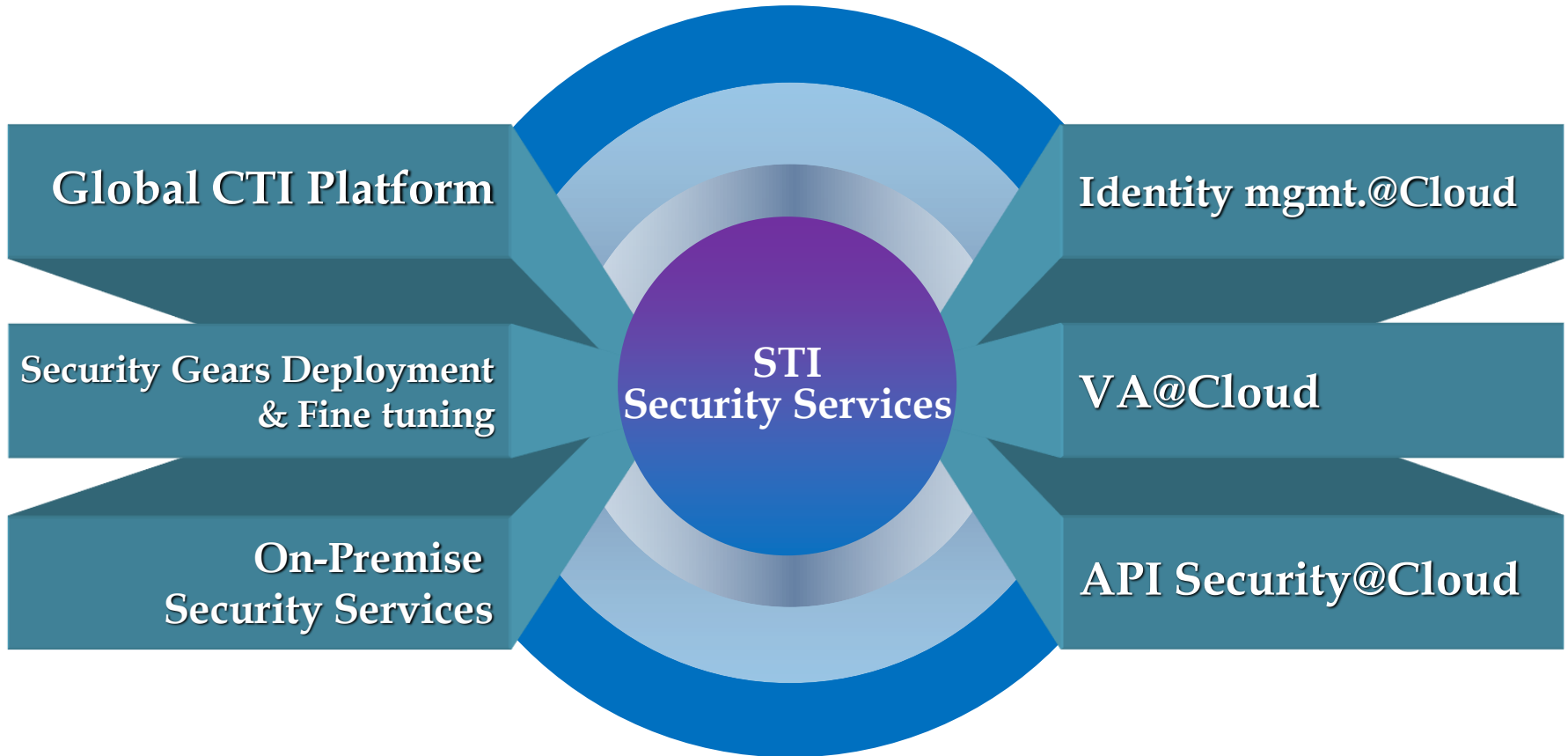
探智立方
Intelligence Qubic



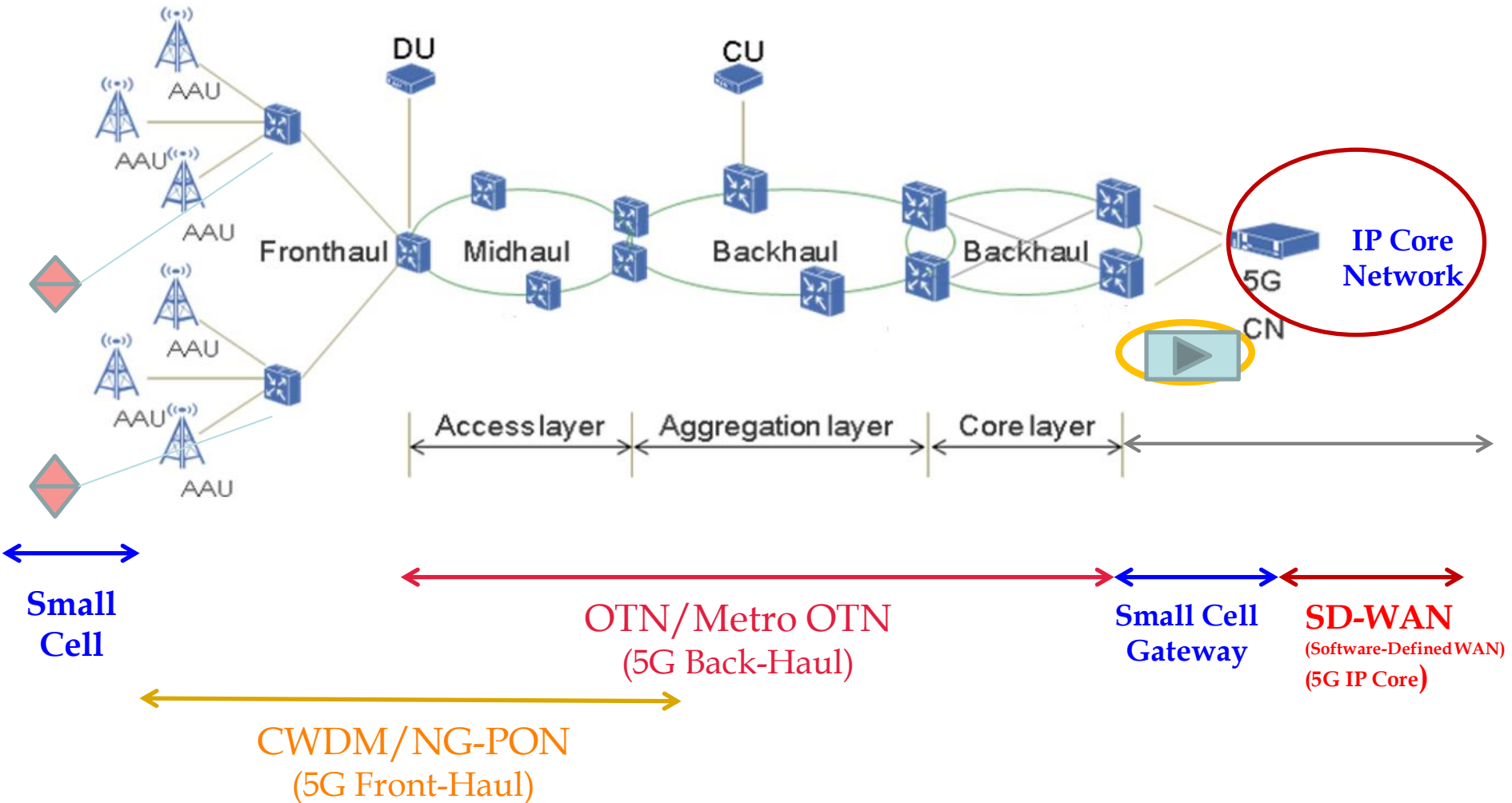
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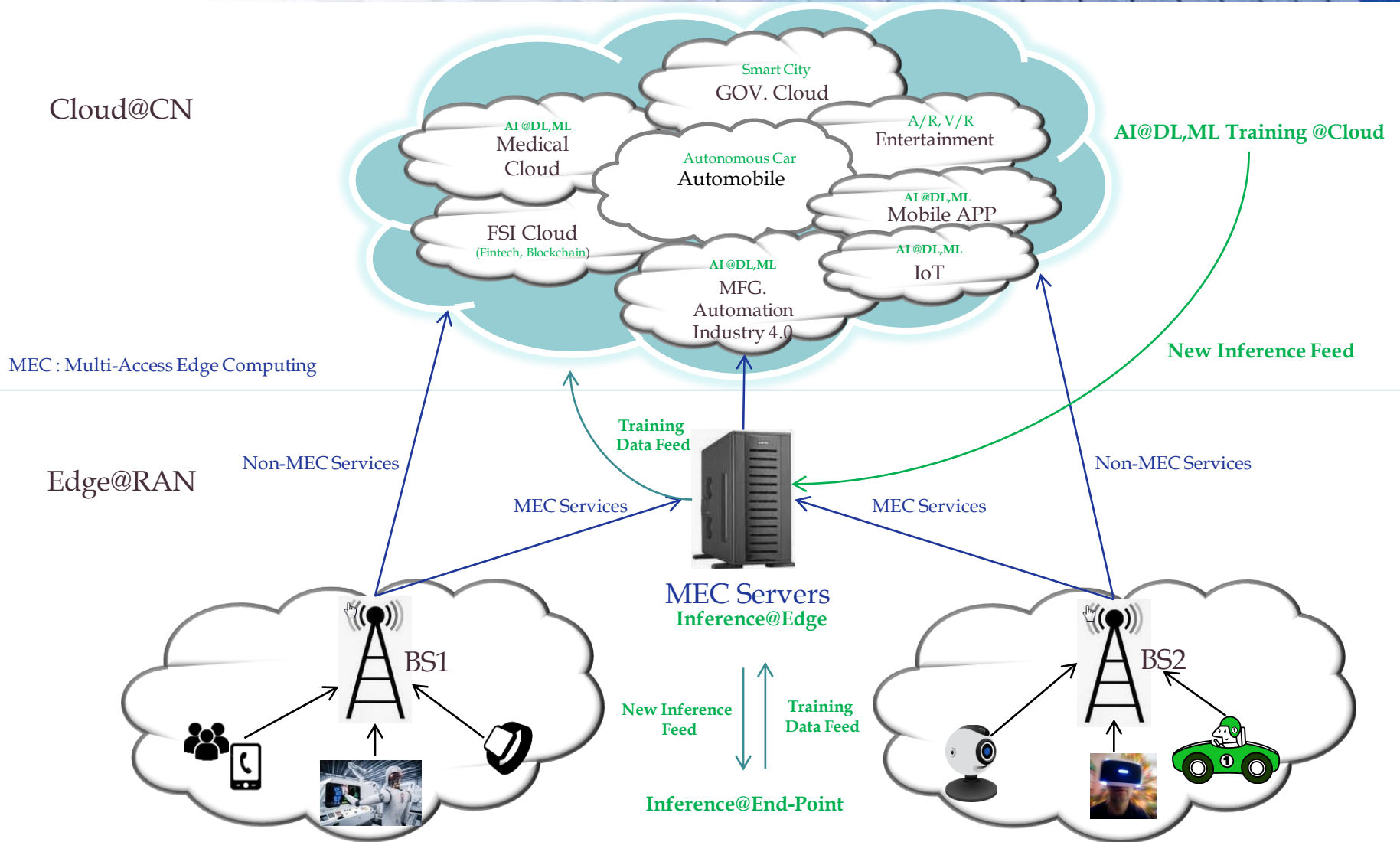
Managed Security Service Provider(MSSP)



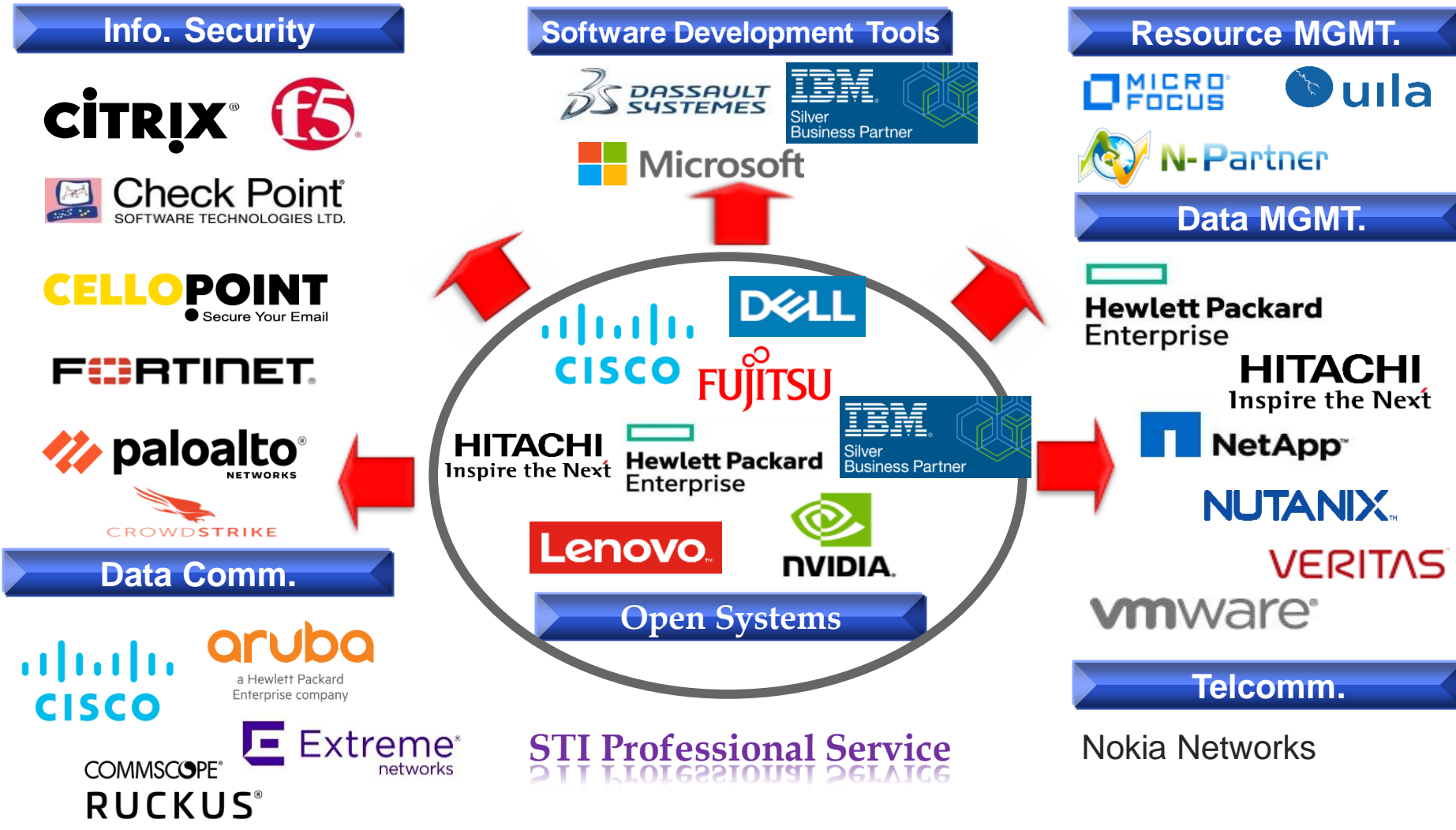
Tel-Communication Technologies (5G)



Meet up 5G + MEC@AI@Cloud



Products & Solutions



Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

Item	2020/12/31		2019/12/31		2018/12/31	
	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,348,404	24%	1,567,177	30%	1,310,169	26%
Accounts receivable(including contract assets)	1,108,125	20%	874,148	17%	838,305	16%
Inventories	1,957,859	34%	1,470,524	29%	1,697,084	34%
Property,Plant and equipment	453,651	8%	452,727	9%	460,339	9%
Total Assets	5,743,047	100%	5,113,720	100%	4,963,595	100%
Current Liabilities	2,807,884	49%	2,211,857	43%	2,267,502	46%
Total Liabilities	2,914,035	51%	2,315,992	45%	2,324,040	47%
Equity	2,829,012	49%	2,797,728	55%	2,639,555	53%

Source: Market Observation Post System

Income Statements Overview (Consolidated)

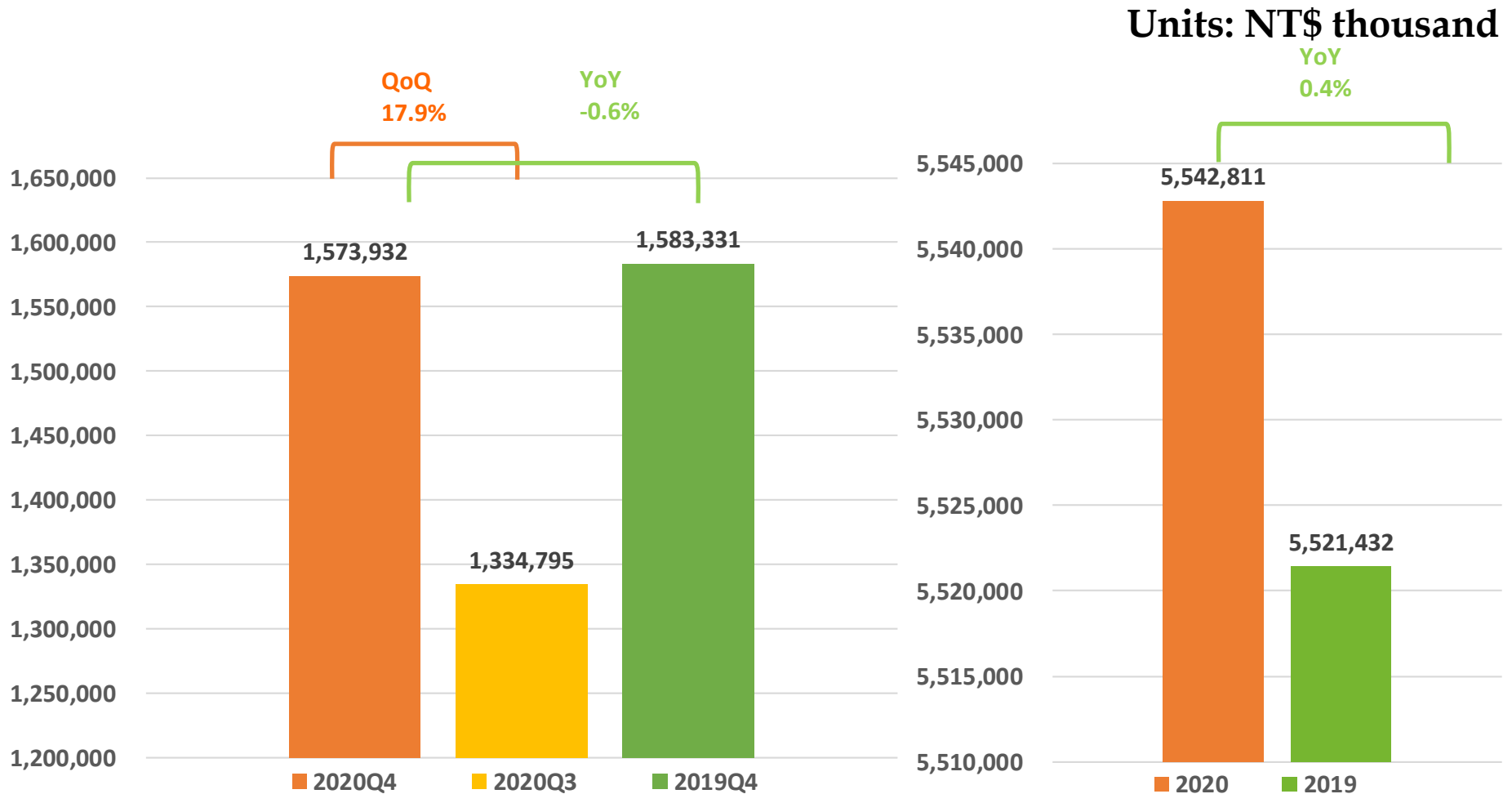
Units: NT\$ thousand

Item	2020 Jan.-Dec.		2019 Jan.-Dec.		YOY
	AMT	%	AMT	%	
Revenues	5,542,811	100%	5,521,432	100%	0.4%
Gross profit	1,377,627	25%	1,345,072	24%	2.4%
Operating expense	834,206	15%	824,015	15%	1.2%
Operating income	543,421	10%	521,057	9%	4.3%
Other income	57,088	1%	48,661	1%	17.3%
Pre-tax income	600,509	11%	569,718	10%	5.4%
Net income	497,618	9%	446,501	8%	11.4%
EPS(NT\$)	4.68		4.20		11.4%

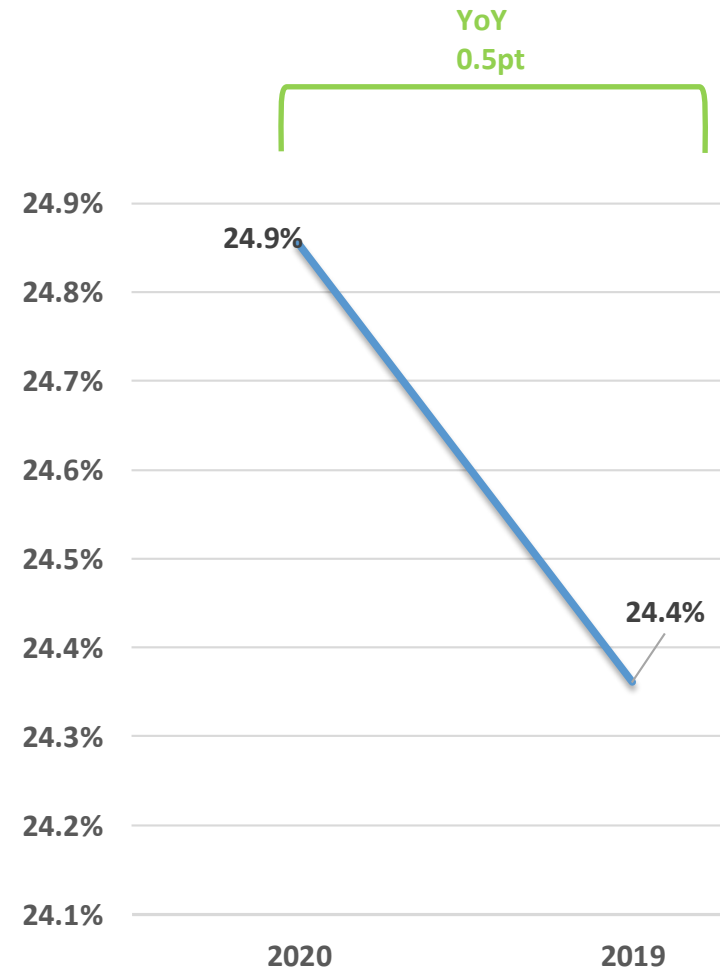
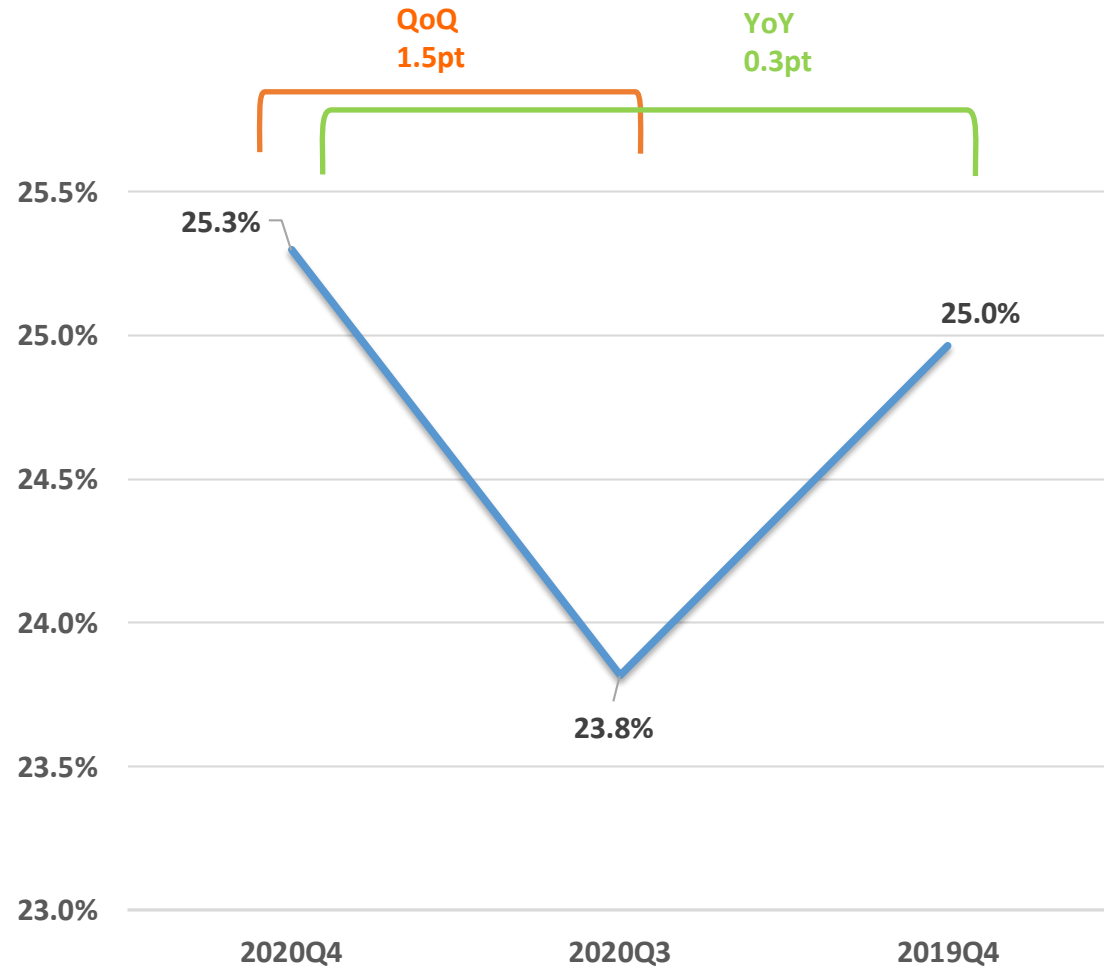
Source: Market Observation Post System

Note:China subsidiary's revenue of consolidated: 2020 4.3%;2019 6.6%

Consolidated Revenues

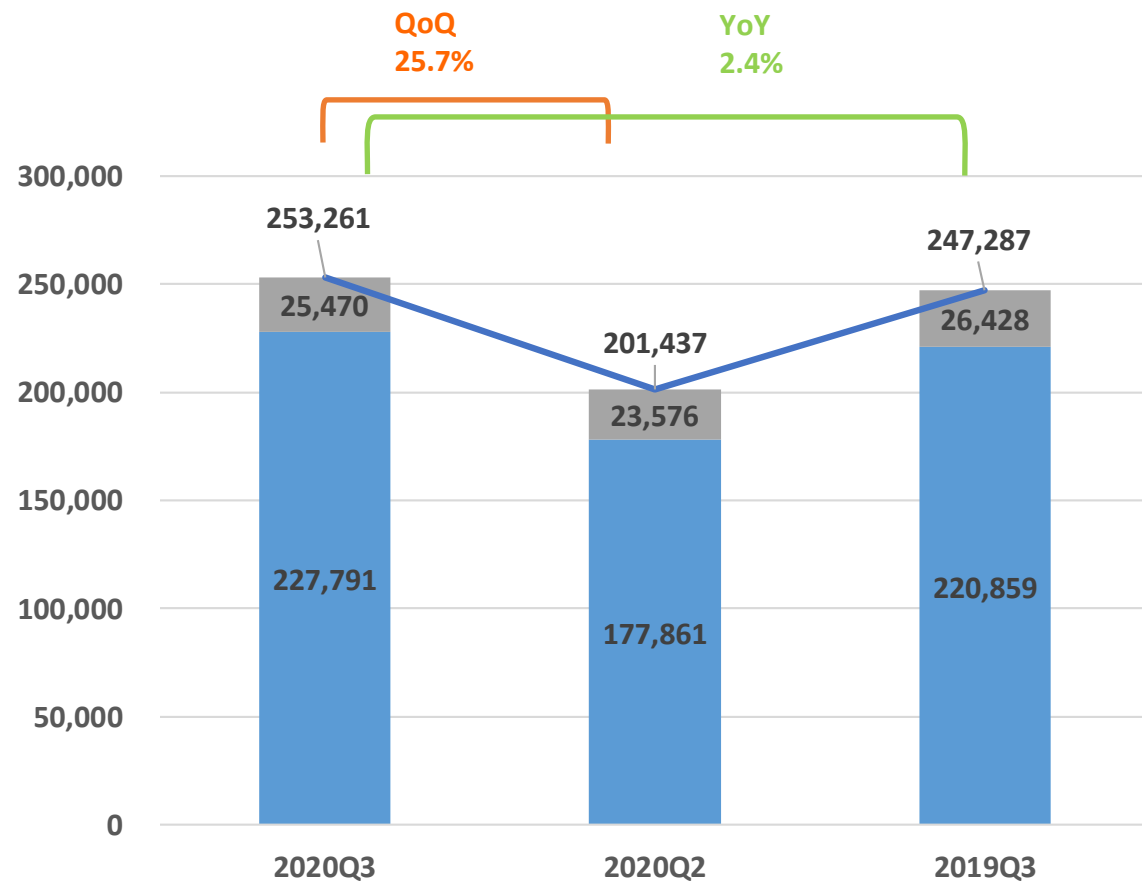


Consolidated Gross profit%

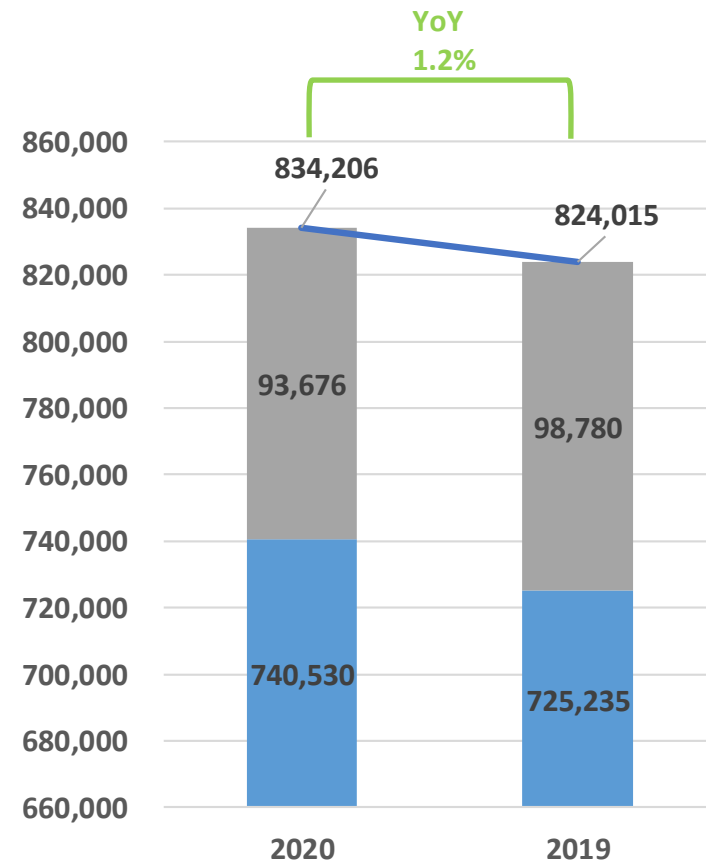


Consolidated Operating expenses

Units: NT\$ thousand



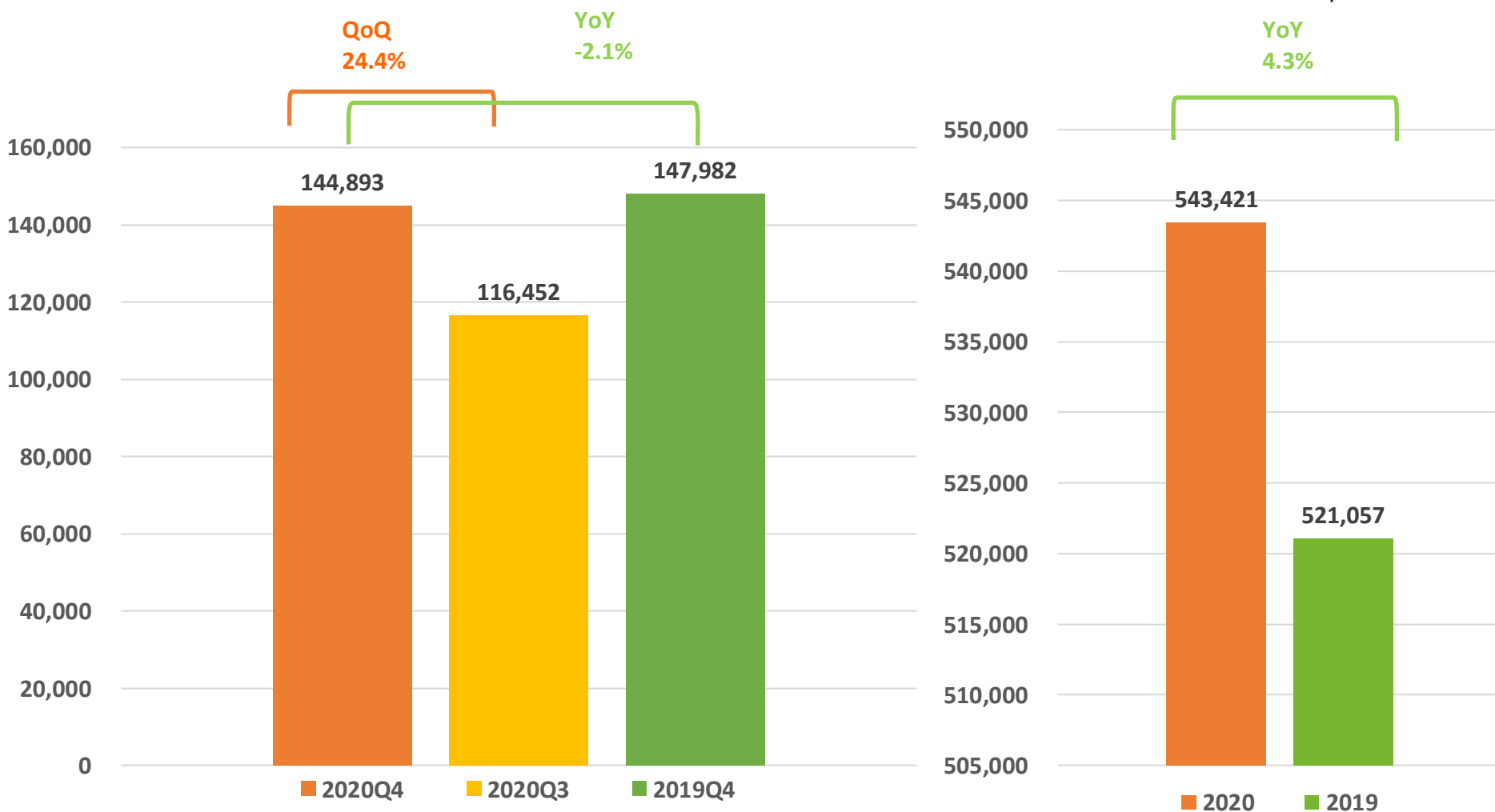
Research and development expenses
 Administrative expenses
 Operating expenses



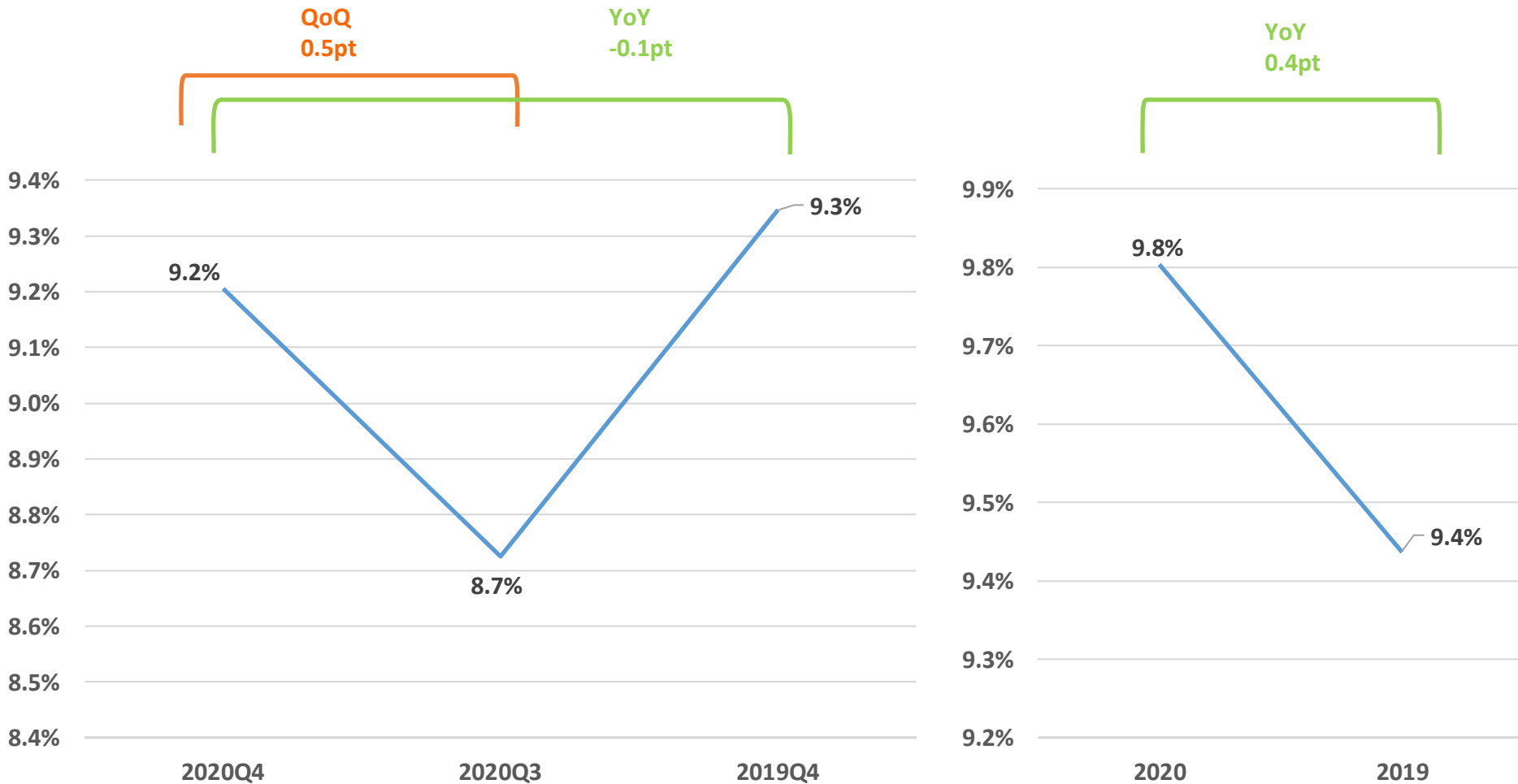
Research and development expenses
 Administrative expenses
 Operating expenses

Consolidated Operating income

Units: NT\$ thousand

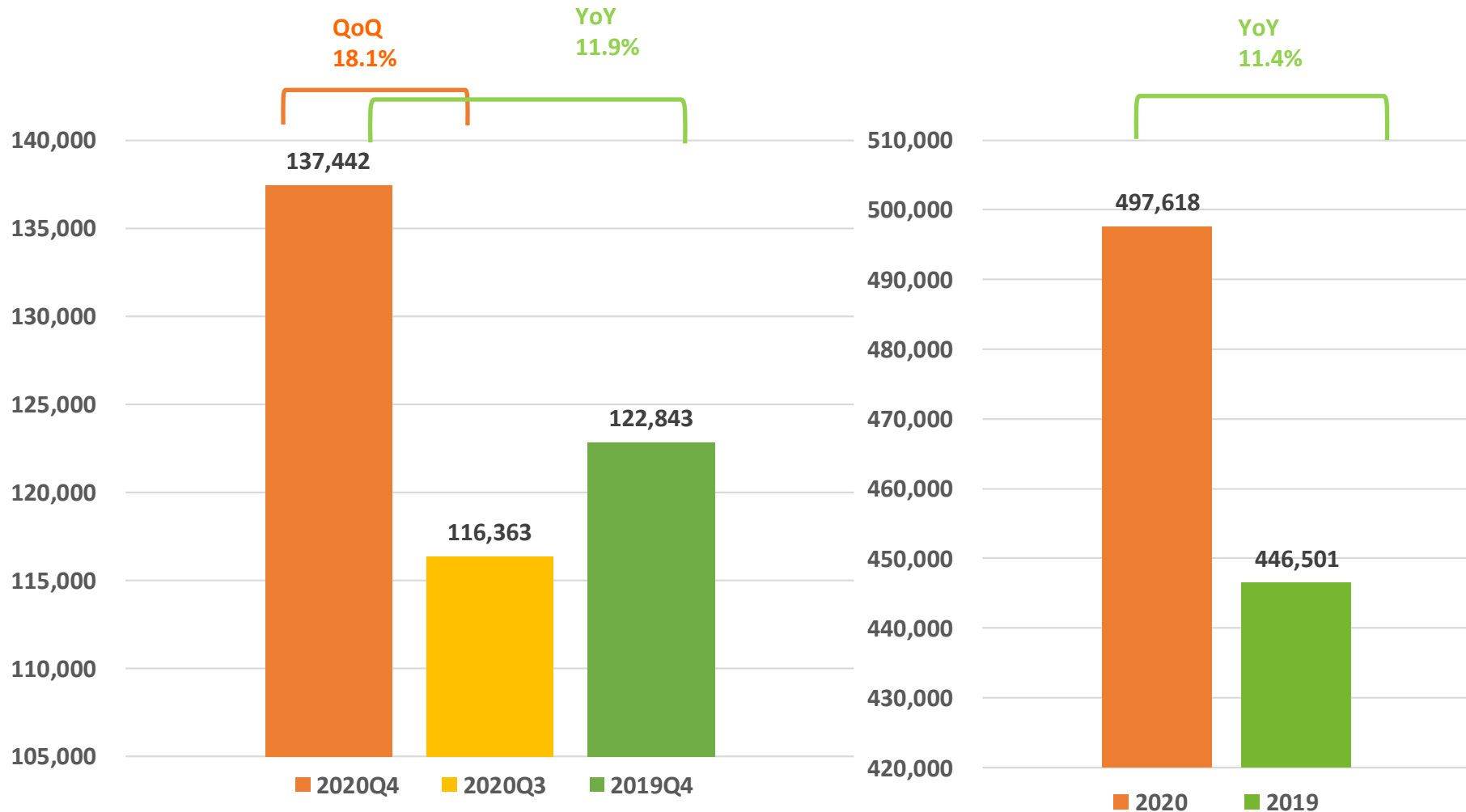


Consolidated Operating income⁰%

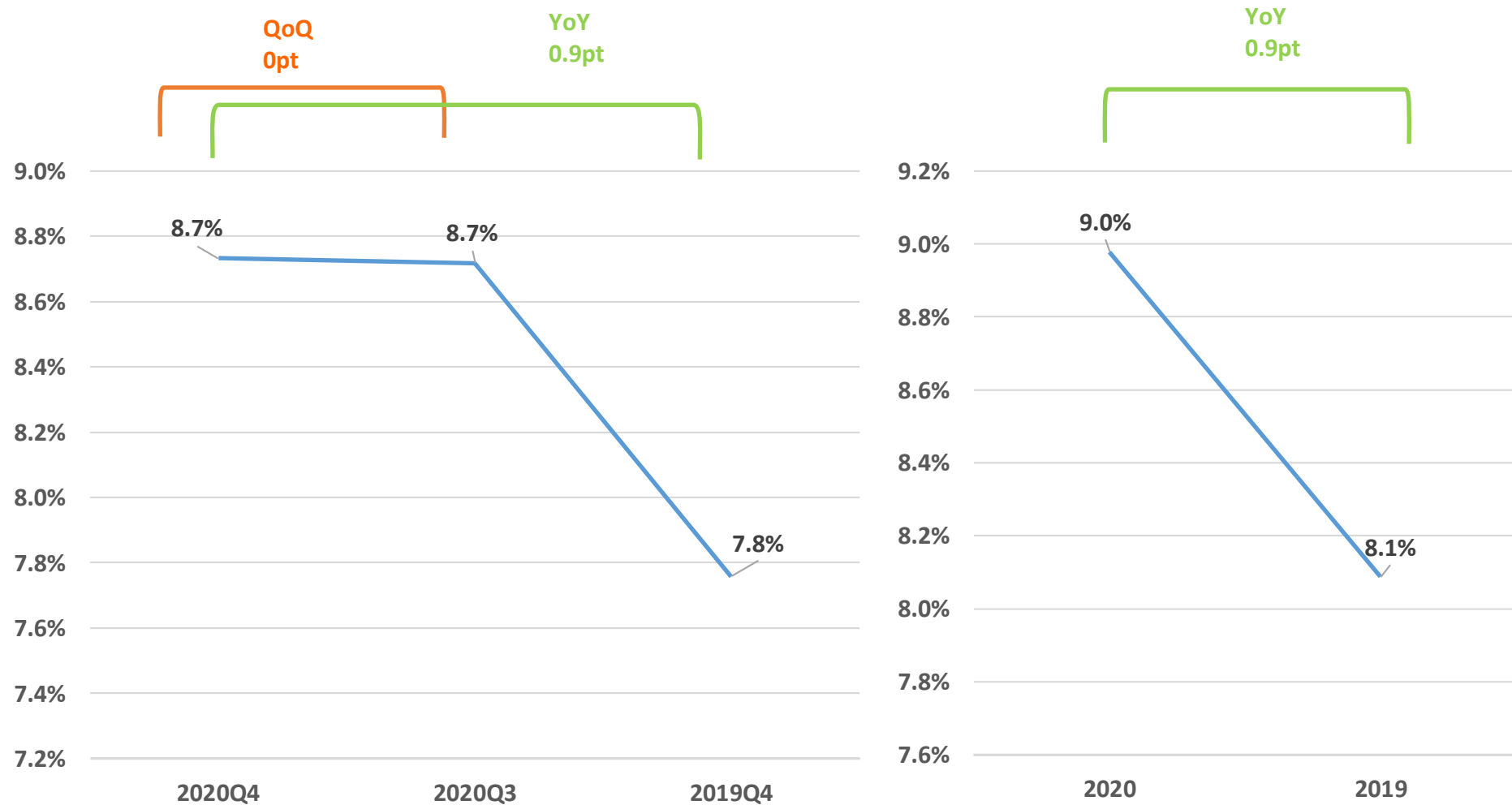


Consolidated Net income

Units: NT\$ thousand



Consolidated Net income⁰%

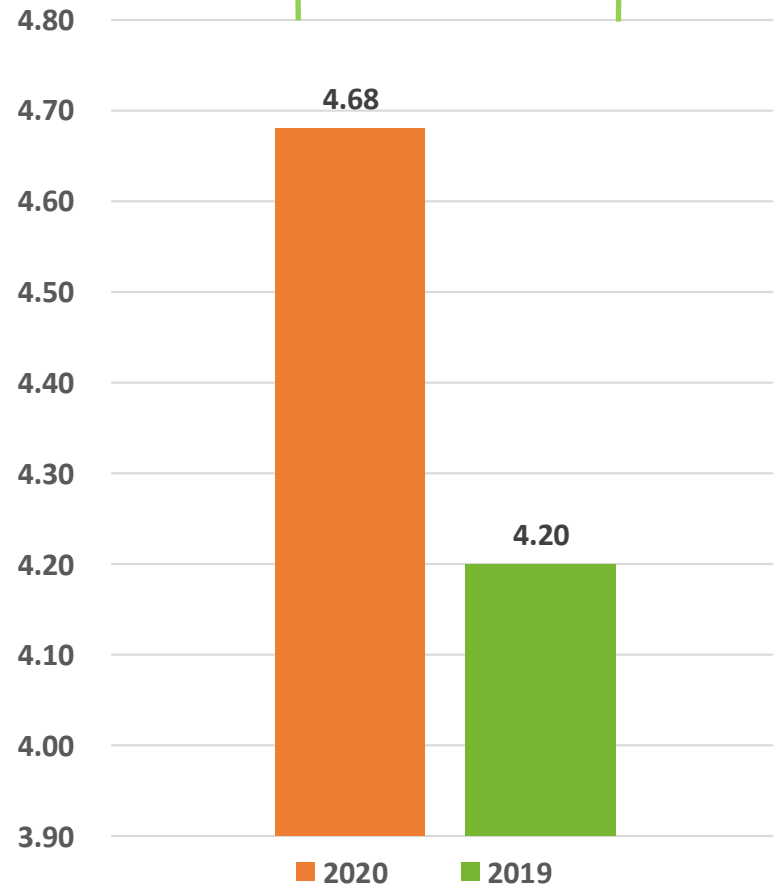
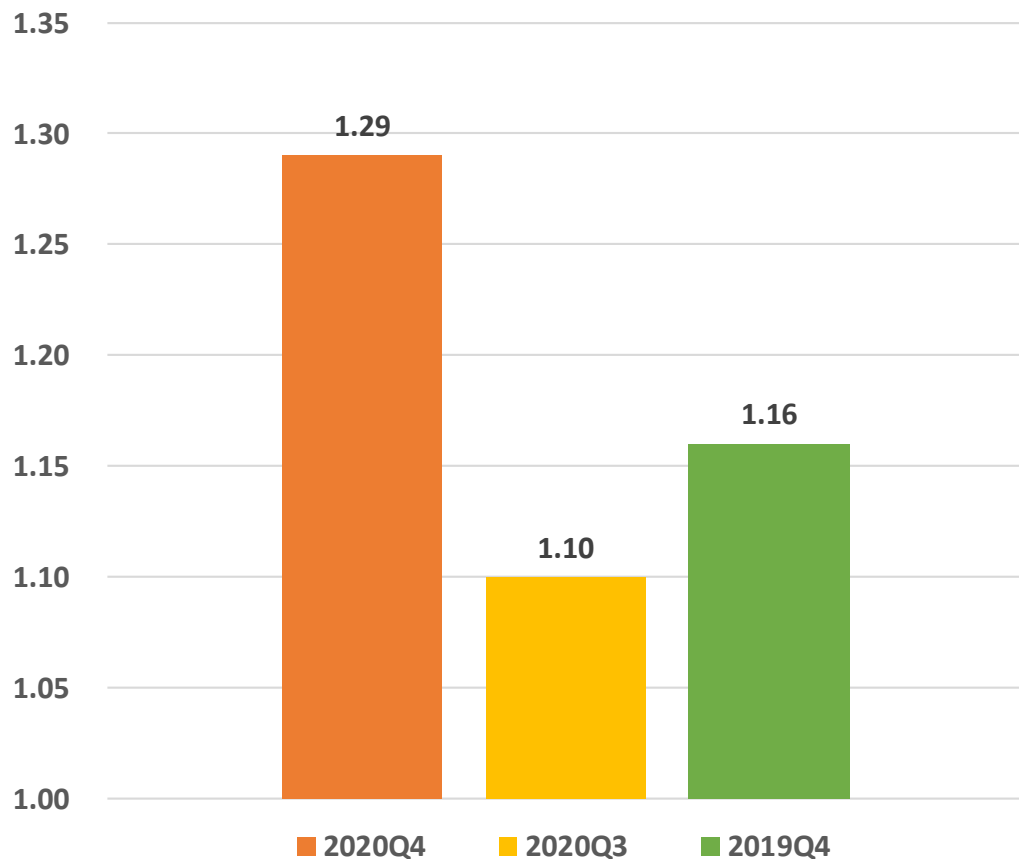


Consolidated EPS

QoQ
17.3%

YoY
11.2%

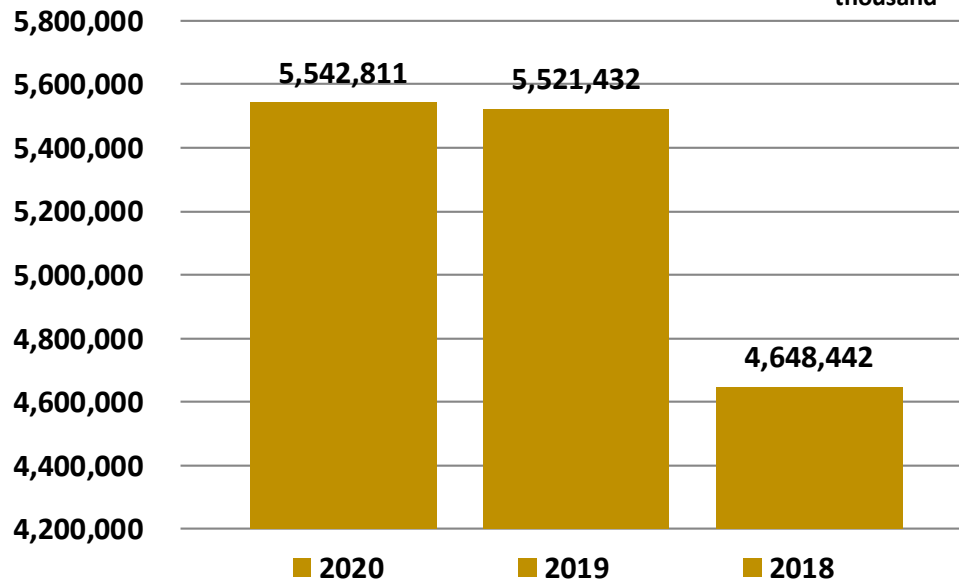
YoY
11.4%
Units: NT\$



Sales Revenue & Net Income

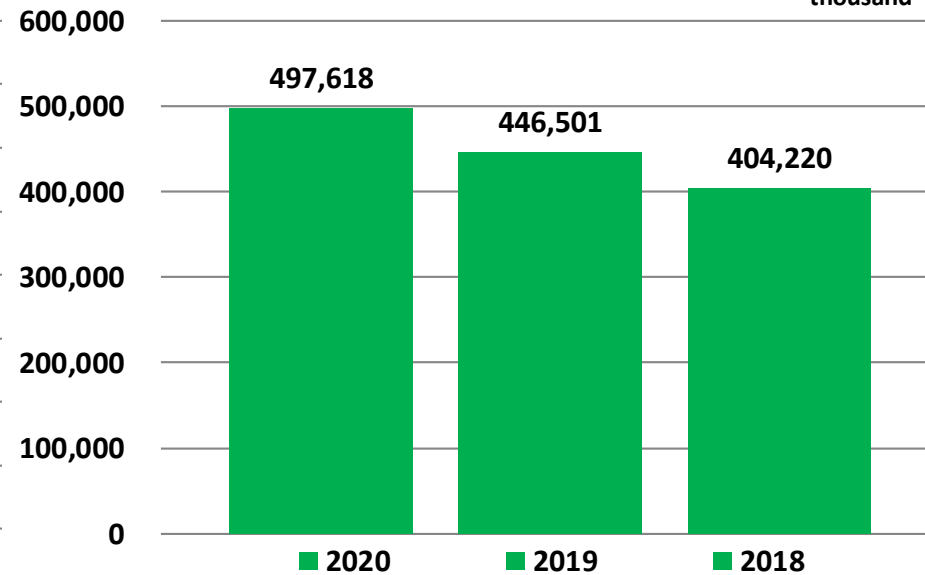
Sales Revenue

Units:NT\$
thousand

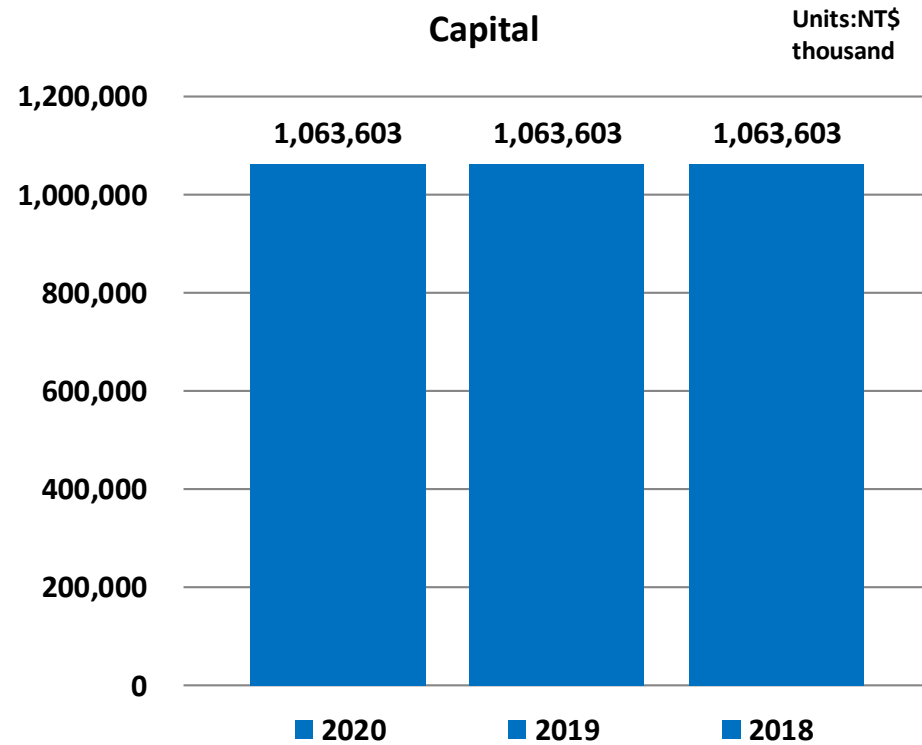
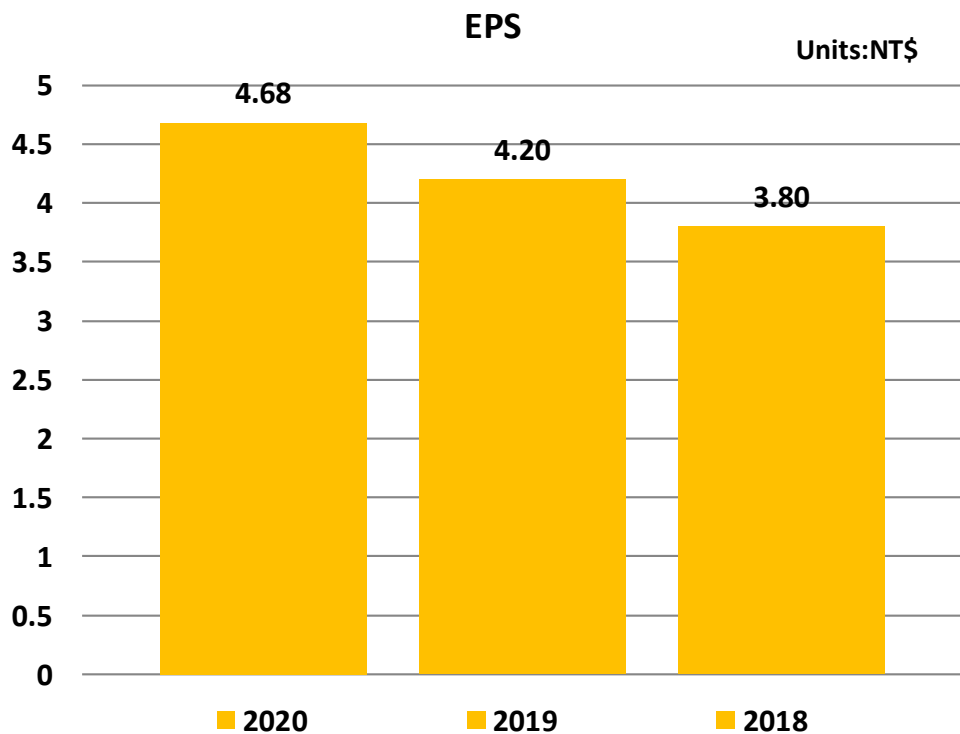


Net Income

Units:NT\$
thousand



EPS & Capital



	2020	2019	2018
ROE	17.69	16.42	15.64

Dividends Policy

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

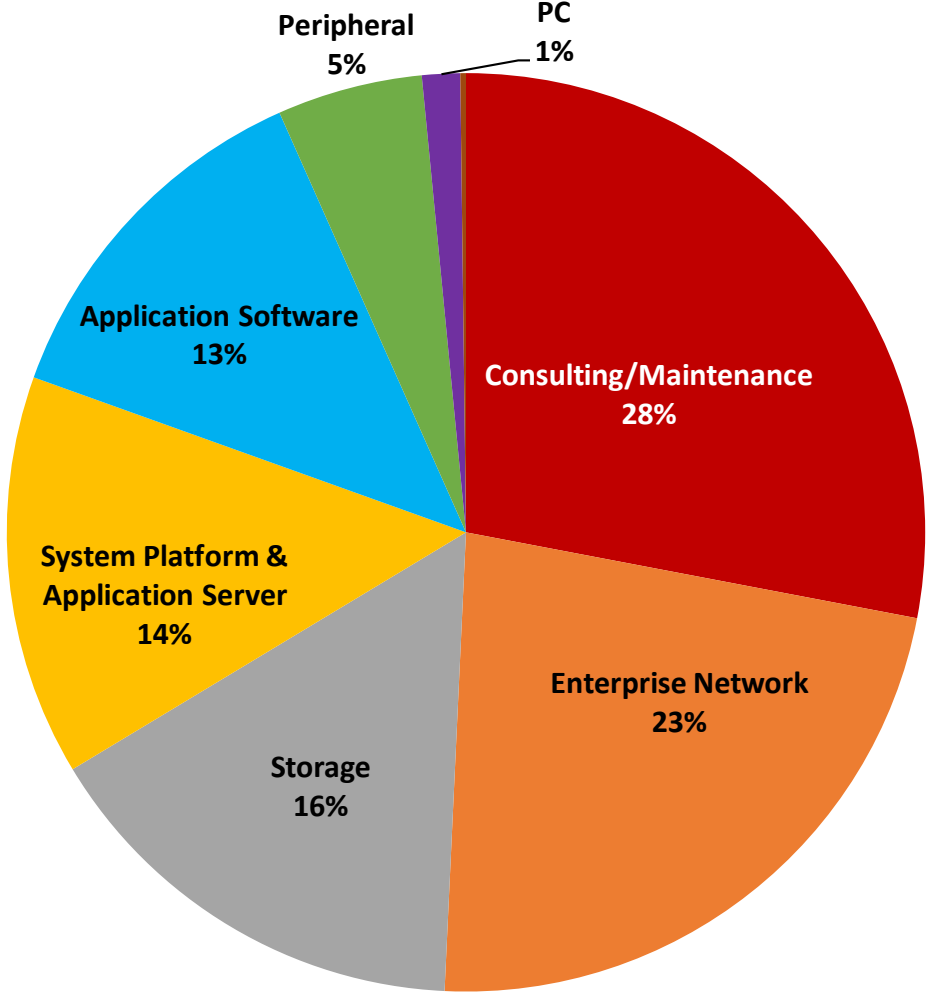
Payout ratio in recent years

Units:%

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

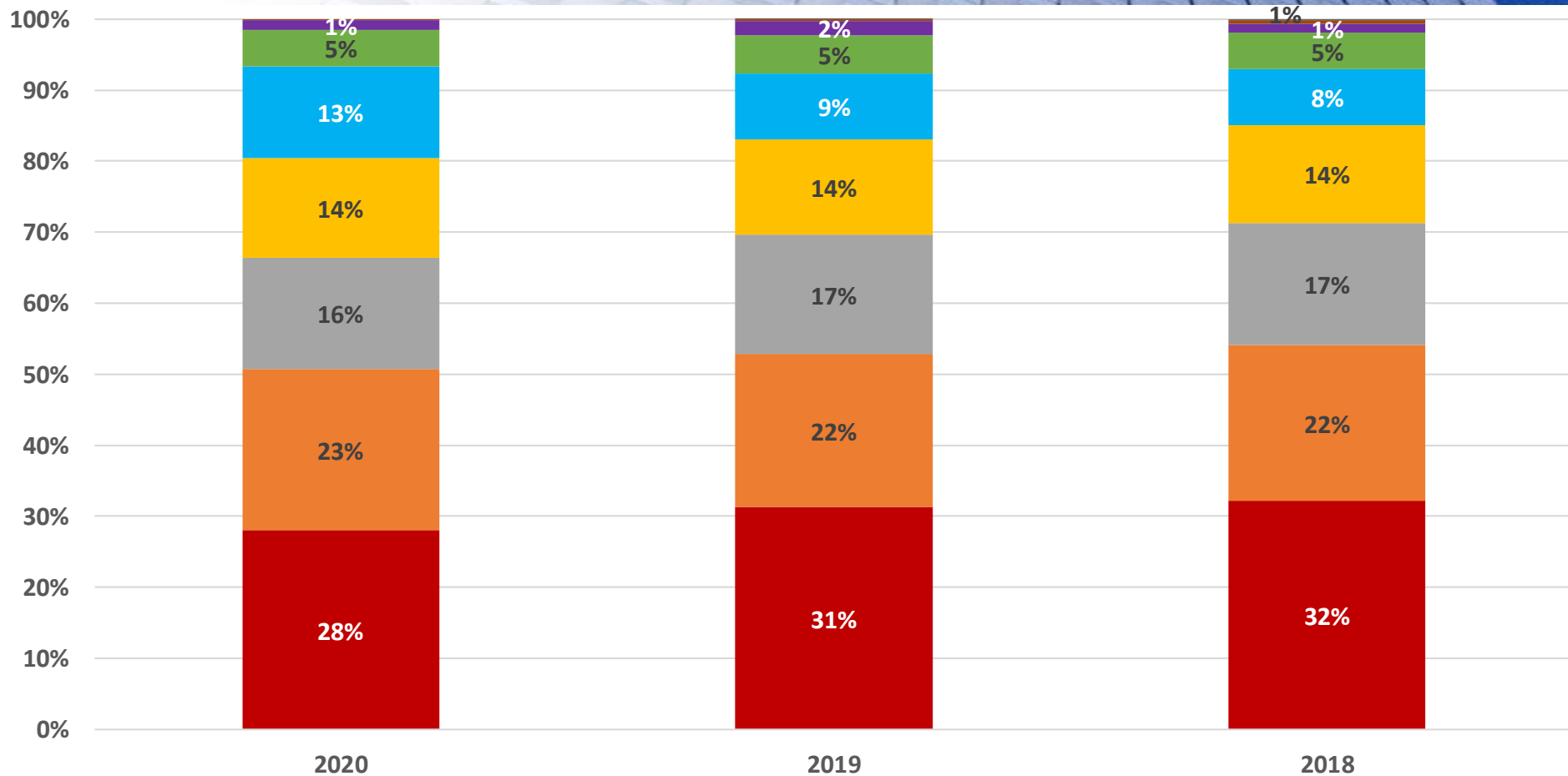
Note : Payout ratio in year 2019 due to the adjustment of IFRSs to shareholders' equity which can be part of distribution

2020 Sales Revenues by Type



Revenue:5.543billion

Comparison of Sales Revenues by Type



■ Consulting/Maintenance

■ Enterprise Network

■ Storage

■ System Platform & Application Server

■ Application Software

■ Peripheral

■ PC

■ Other

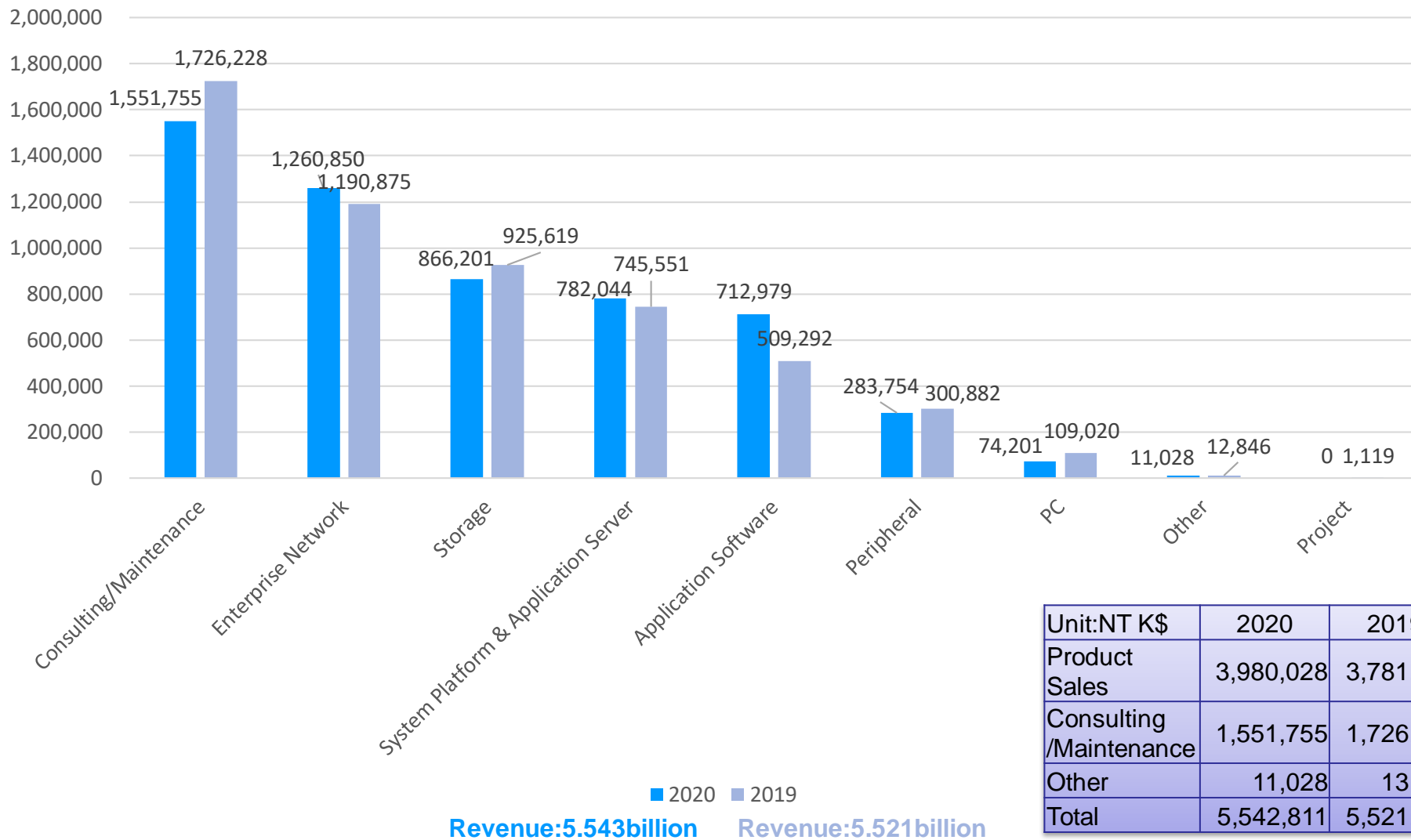
■ Project



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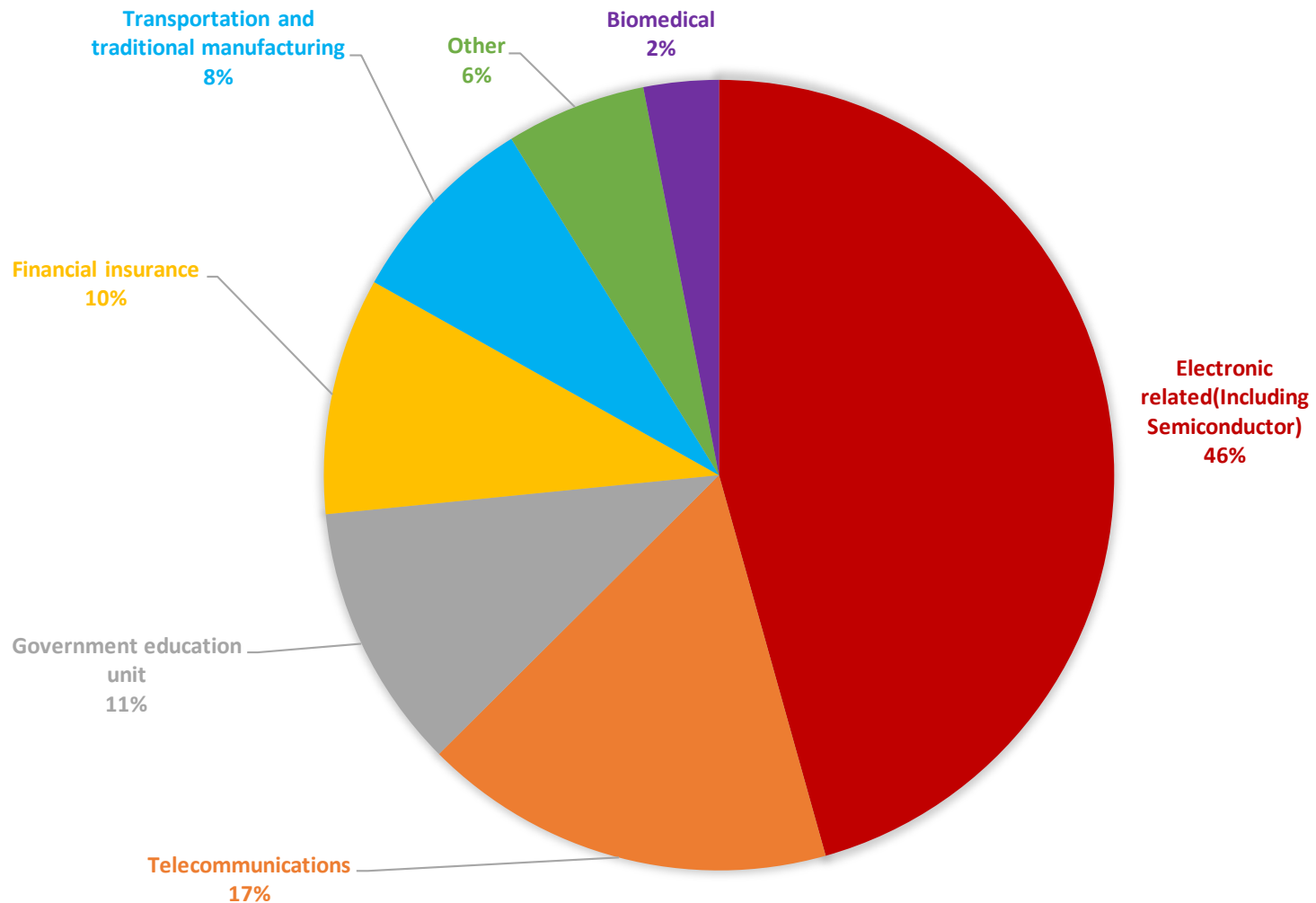
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Compare Sales Revenues by Type



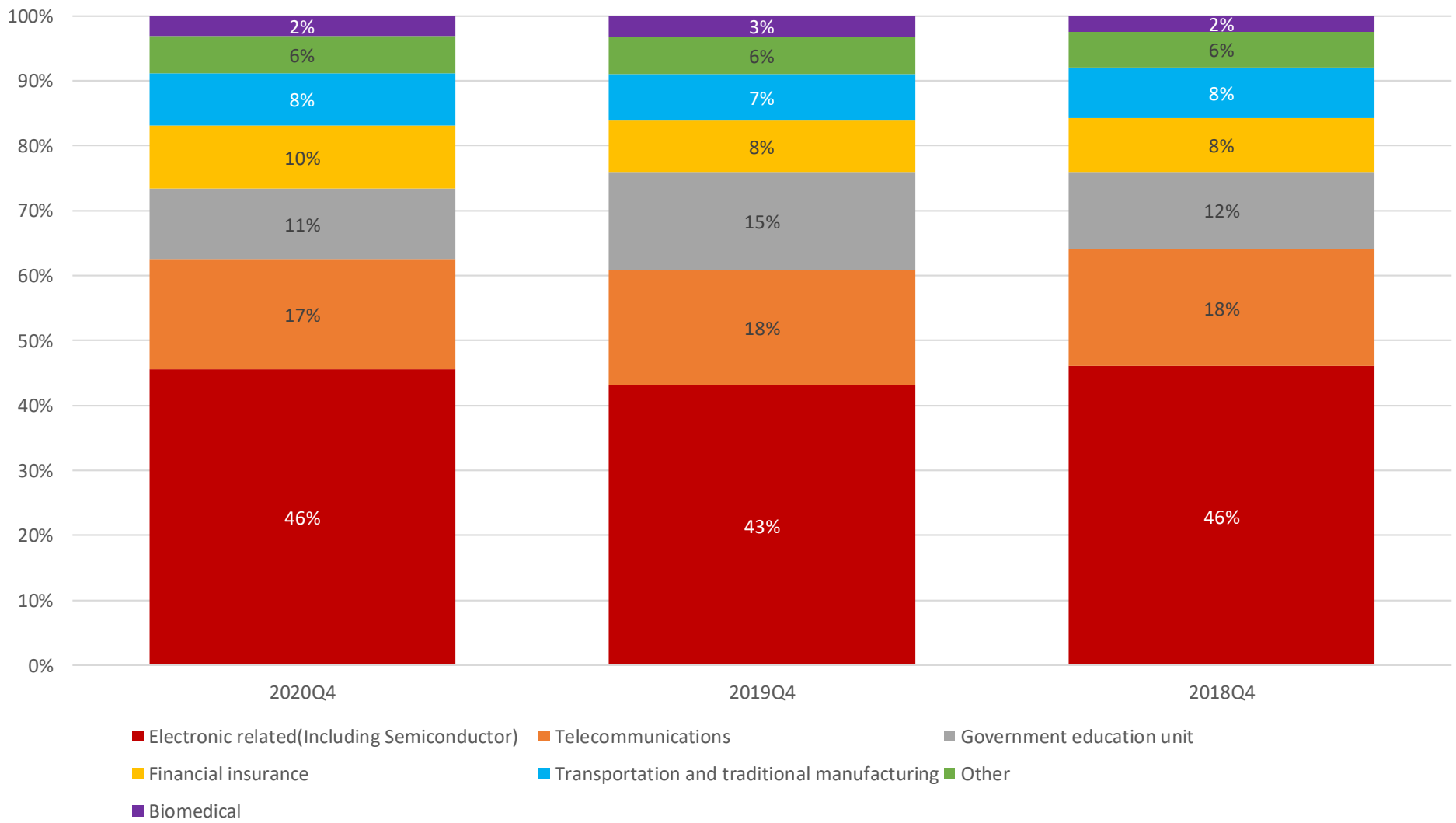
Unit: NT K\$	2020	2019
Product Sales	3,980,028	3,781,239
Consulting /Maintenance	1,551,755	1,726,228
Other	11,028	13,965
Total	5,542,811	5,521,432

2020 Sales Revenues by Industry

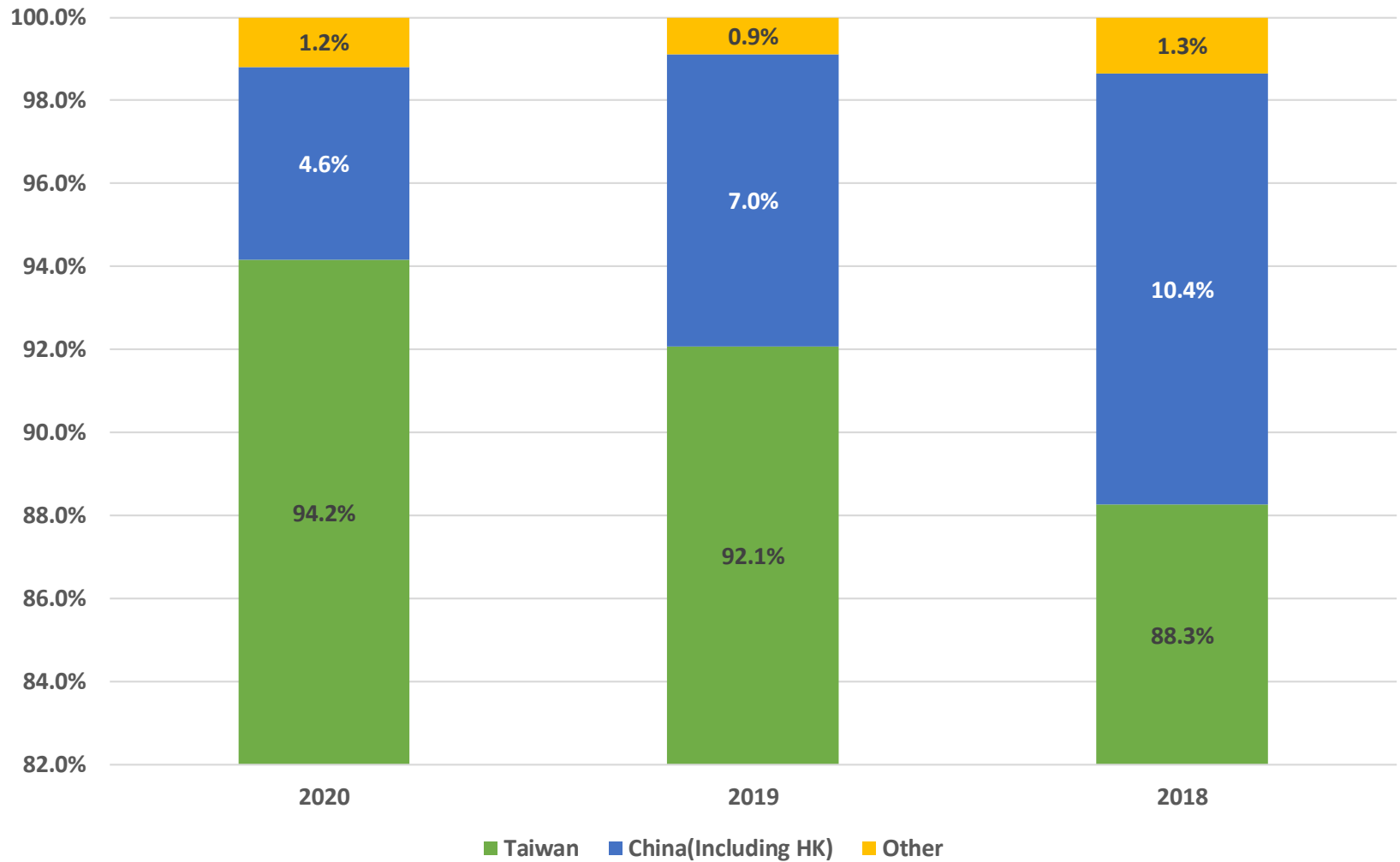


Revenue: 5.543 billion

Comparison of Sales Revenues by Industry(Accumulated)

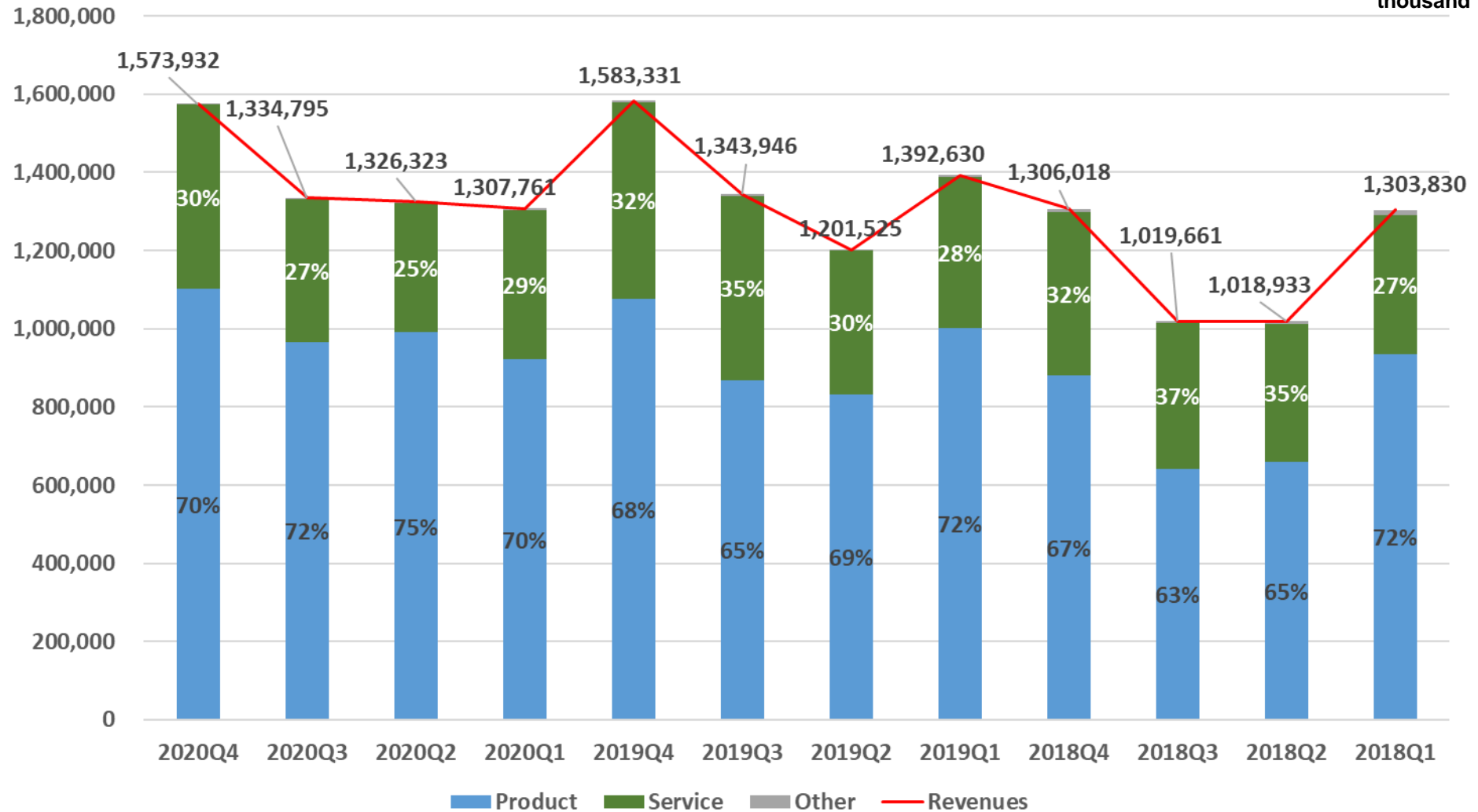



Comparison of Sales Revenues by Region(Accumulated)



Quarterly revenue status

Units:NT\$
thousand





Q & A
Thank you!!