

Stark Technology Inc.(2480)

2019Q2 Investor Conference

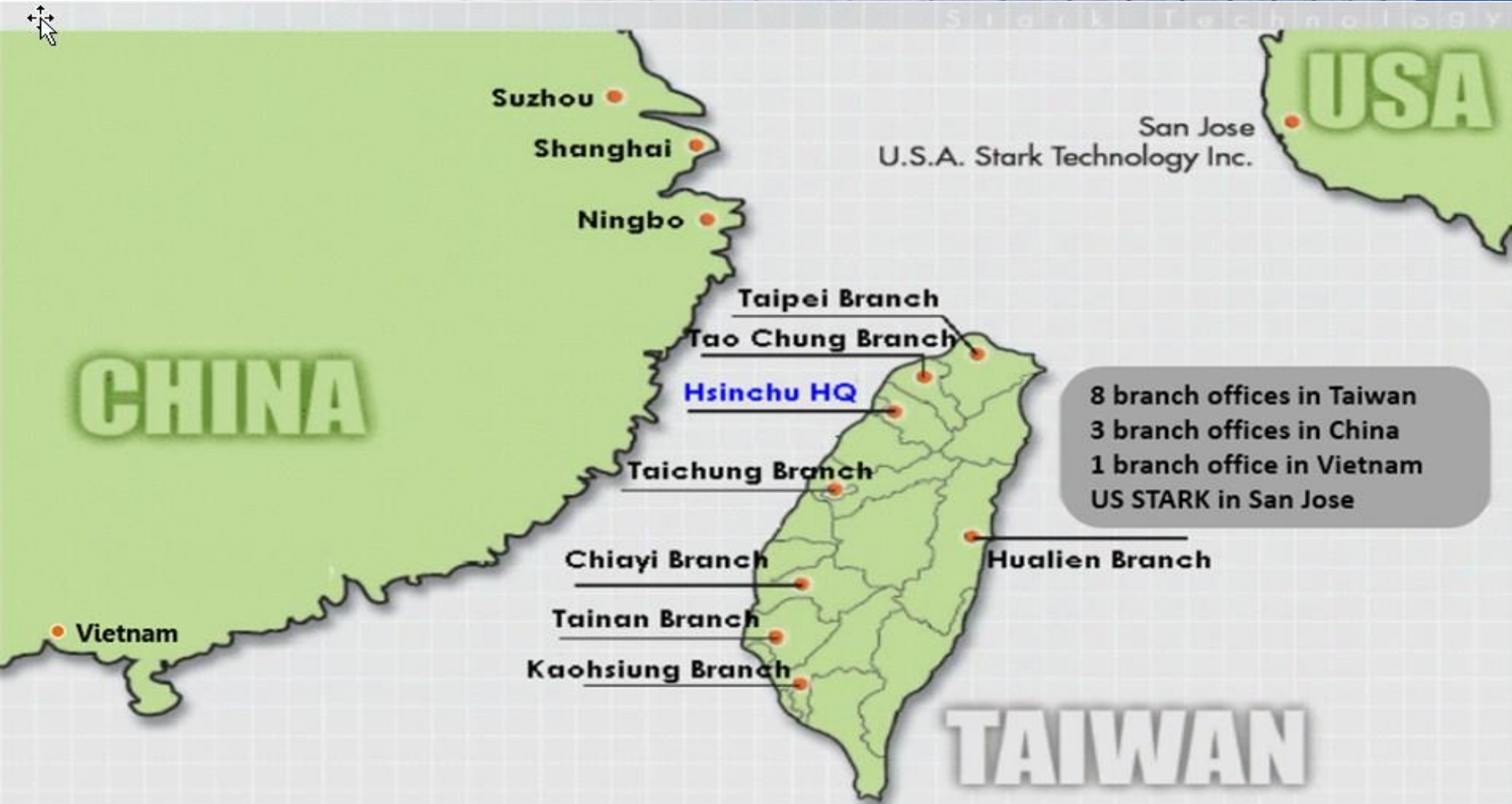
Safe Harbor Notice

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**
- **485+ Employees**
- **The largest domestic system integrator in Taiwan**
- **One of Taiwan's top 500 service enterprises company.**
- **Rated as Taiwan's top 6⁰/₀ - 20⁰/₀ company over the 5th Corporate Governance Evaluation**
- **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**

STI Service Network



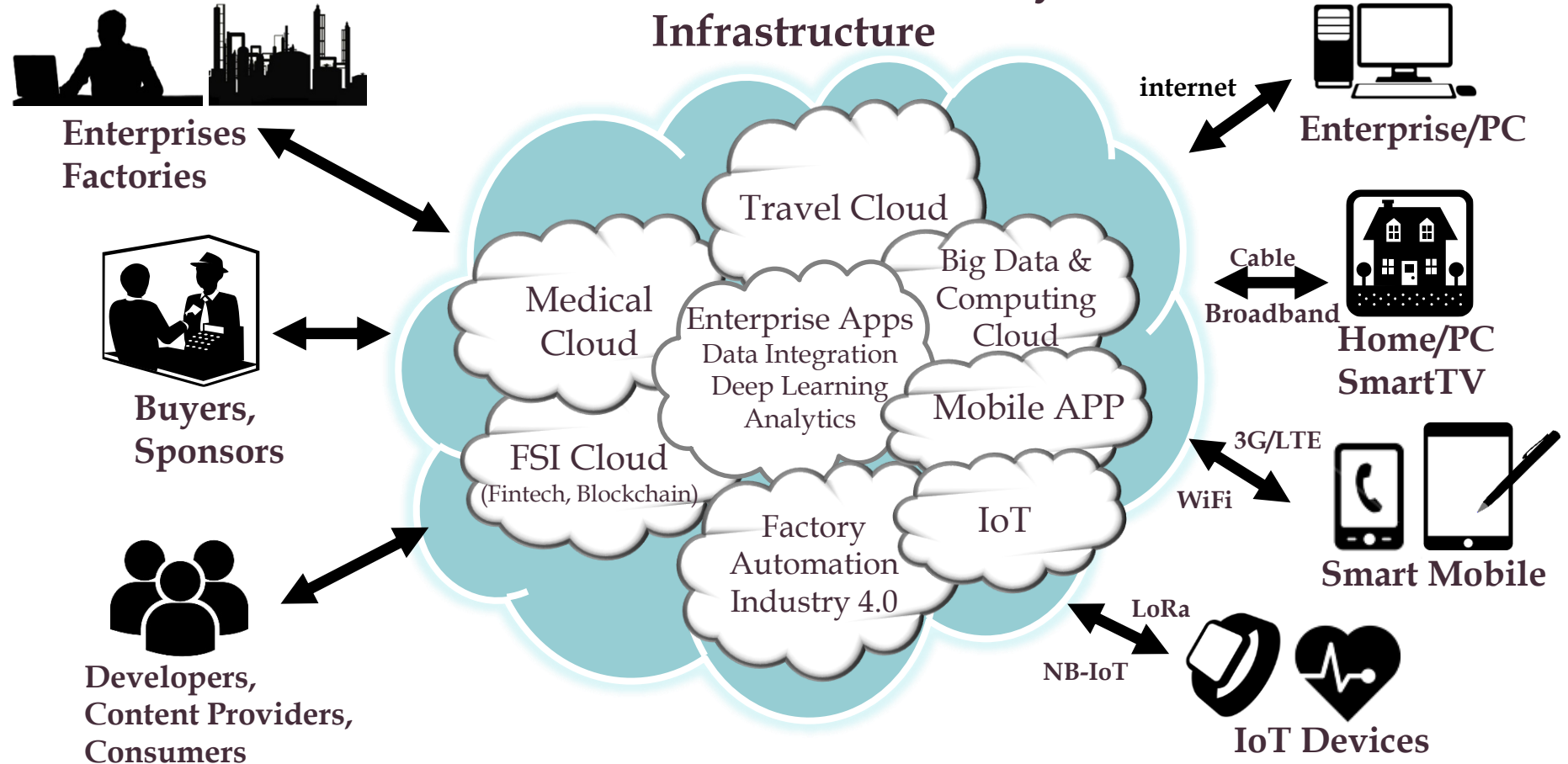
Stark Technology Inc.
敦陽科技股份有限公司

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 、 Broadcast/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*

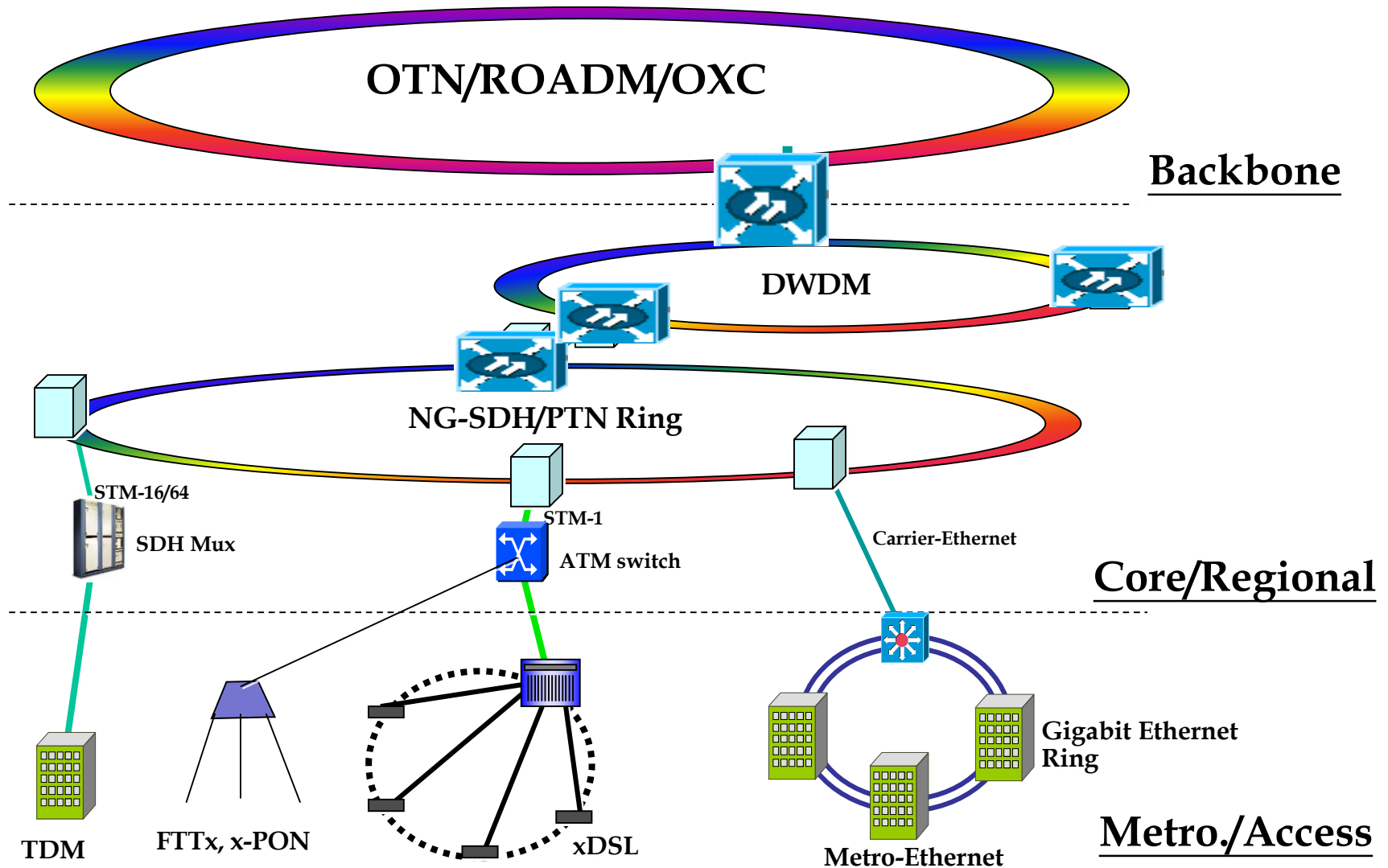
Data Mgmt.

Security

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

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

Tel-Communication Technologies



Products & Solutions

Info. Security



Data Comm.



Software Development Tools



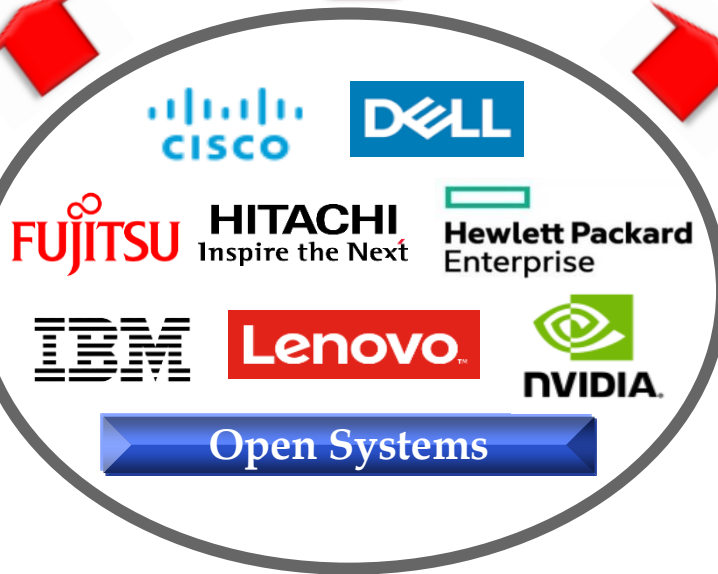
Resource MGMT.



Data MGMT.



Telcomm.



Open Systems



Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

	2019/6/30		2018/12/31		2017/6/30	
	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,434,356	30%	1,310,169	26%	1,521,574	34%
Accounts receivable(including contract assets)	731,126	15%	828,304	16%	810,071	19%
Inventories	1,421,322	29%	1,697,084	34%	1,065,222	24%
Property,Plant and equipment	456,179	10%	460,339	9%	463,669	10%
Total Assets	4,853,102	100%	4,963,595	100%	4,457,381	100%
Current Liabilities	2,186,650	45%	2,267,502	46%	1,946,231	44%
Equity	2,568,244	53%	2,639,555	53%	2,461,470	55%

Source: Market Observation Post System

Note:The increase in inventory in 2019Q2 is due to the long period of construction of some large-scale projects.

Income Statements Overview (Consolidated)

Units: NT\$ thousand

Item	2019 Jan.-June		2018 Jan.-June		YOY
	AMT	%	AMT	%	
Revenues	2,594,155	100%	2,322,763	100%	11.7%
Gross profit	666,157	26%	672,651	29%	-1.0%
Operating expense	388,661	15%	417,545	18%	-6.9%
Operating income	277,496	11%	255,106	11%	8.8%
Other income	16,551	1%	13,625	1%	21.5%
Pre-tax income	294,047	12%	268,731	12%	9.4%
Net income	228,663	9%	201,183	9%	13.7%
EPS(NT\$)	2.15		1.89		

Source: Market Observation Post System

Note: 2019Q2 revenue and increased by 271,392K from the last year, mainly due to the increase in Application Software and Consulting/Maintenance; EPS was NT\$2.15

Comparison of Consolidated Income

Units: NT\$ thousand

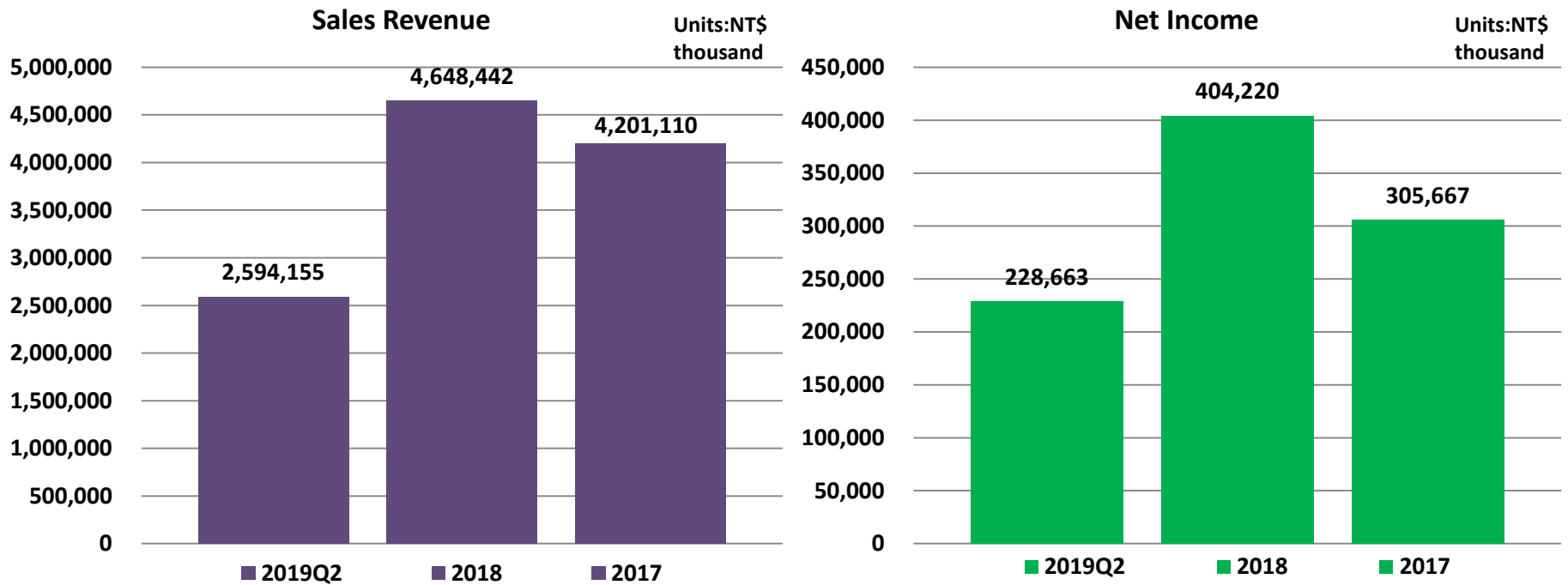
QoQ Comparison of 2019Q2

	2019Q2	2019Q1	QoQ
Revenues	1,201,525	1,392,630	-13.7%
Gross profit	305,336	360,821	-15.4%
Gross profit%	25%	26%	-1.9%
Operating income	121,571	155,925	-22.0%
Pre-tax income	130,892	163,155	-19.8%
Net income	105,987	122,676	-13.6%
EPS	1.00	1.15	-13.0%

YoY Comparison of 2019Q2

	2019Q2	2018Q2	YoY
Revenues	1,201,525	1,018,933	17.9%
Gross profit	305,336	299,079	2.1%
Gross profit%	25%	29%	-13.4%
Operating income	121,571	106,368	14.3%
Pre-tax income	130,892	116,566	12.3%
Net income	105,987	92,930	14.1%
EPS	1.00	0.87	14.9%

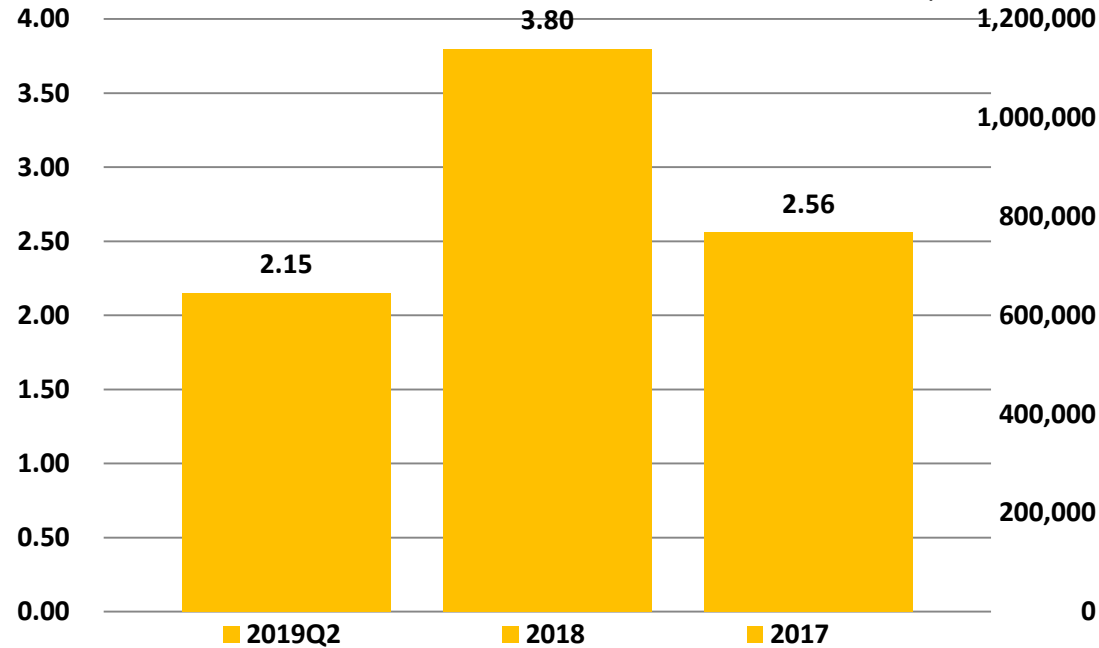
Sales Revenue & Net Income



EPS & Capital

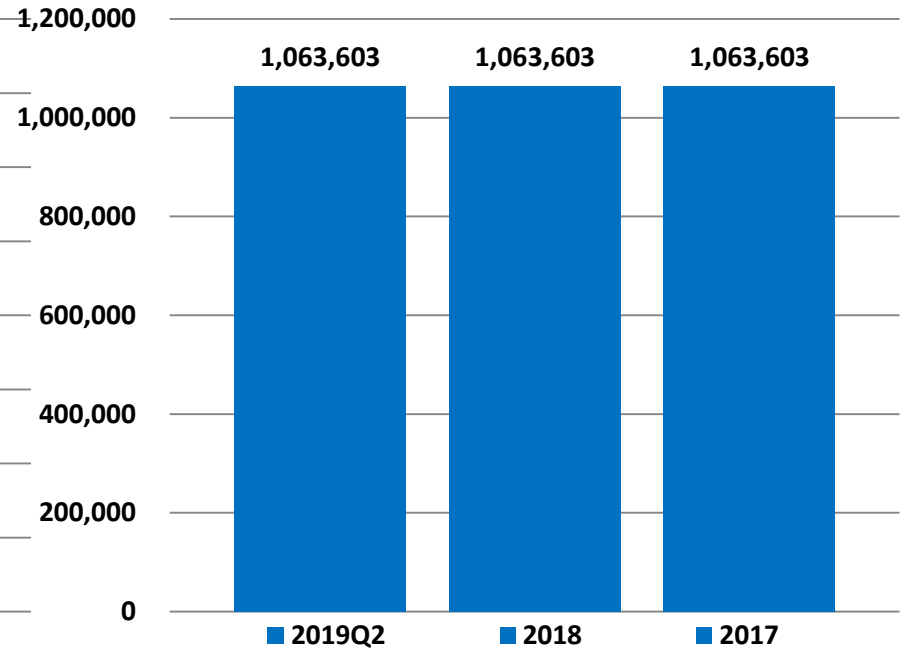
EPS

Units:NT\$

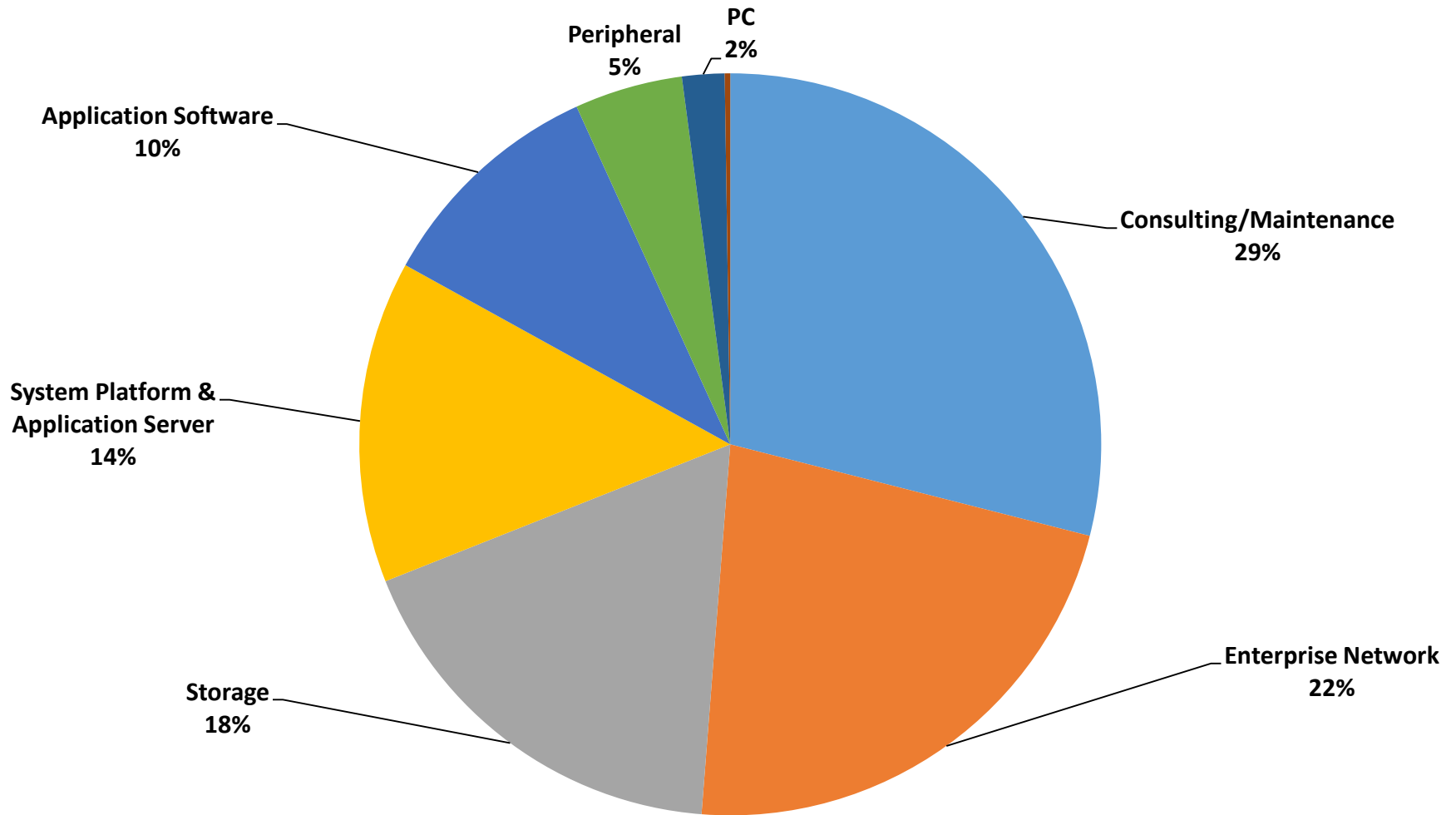


Capital

Units:NT\$ thousand

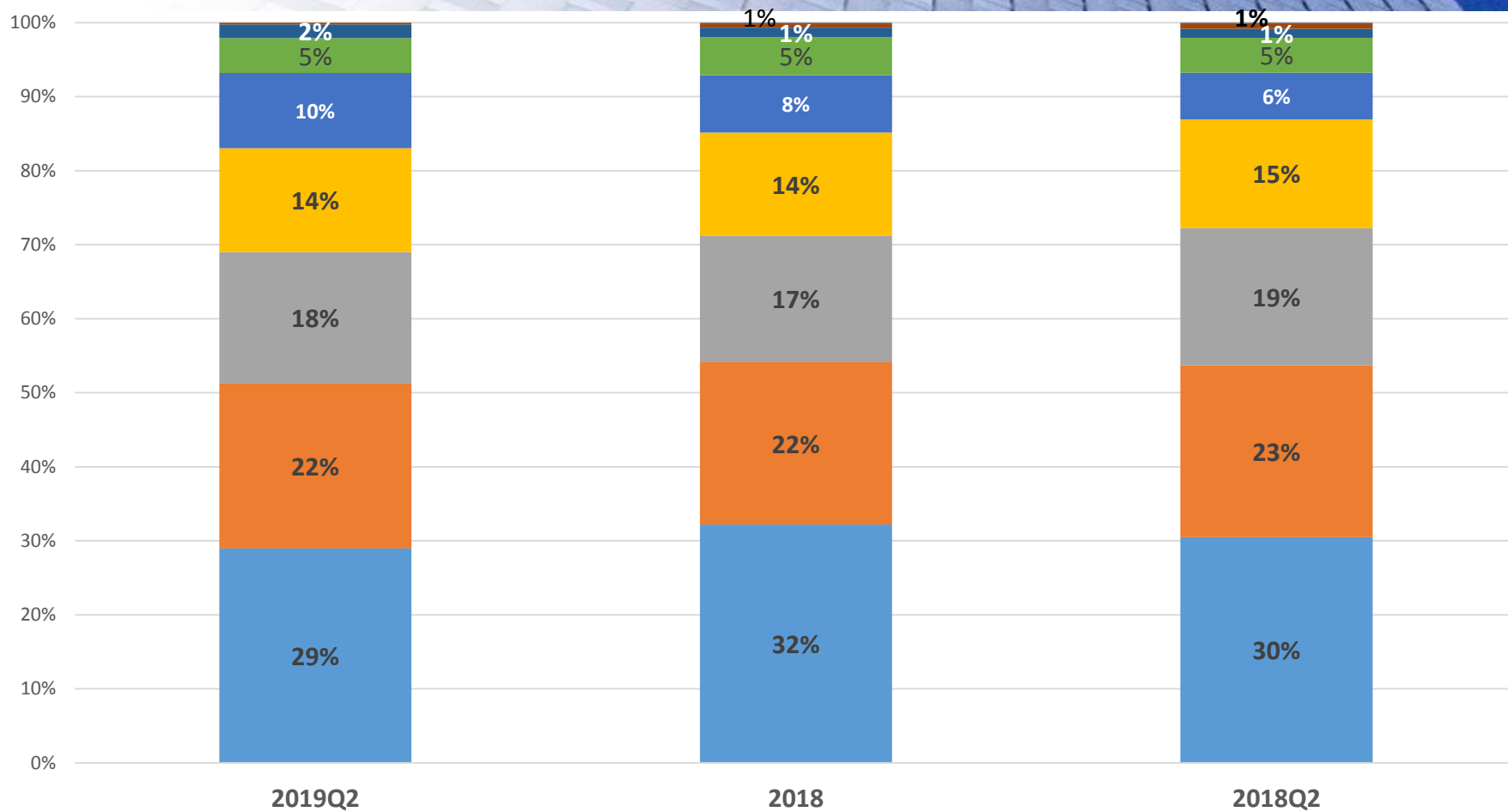


2019Q2 Sales Revenues by Type



Revenue:2.594billion

Comparison of Sales Revenues by Type



■ Consulting/Maintenance

■ Enterprise Network

■ Storage

■ System Platform & Application Server

■ Application Software

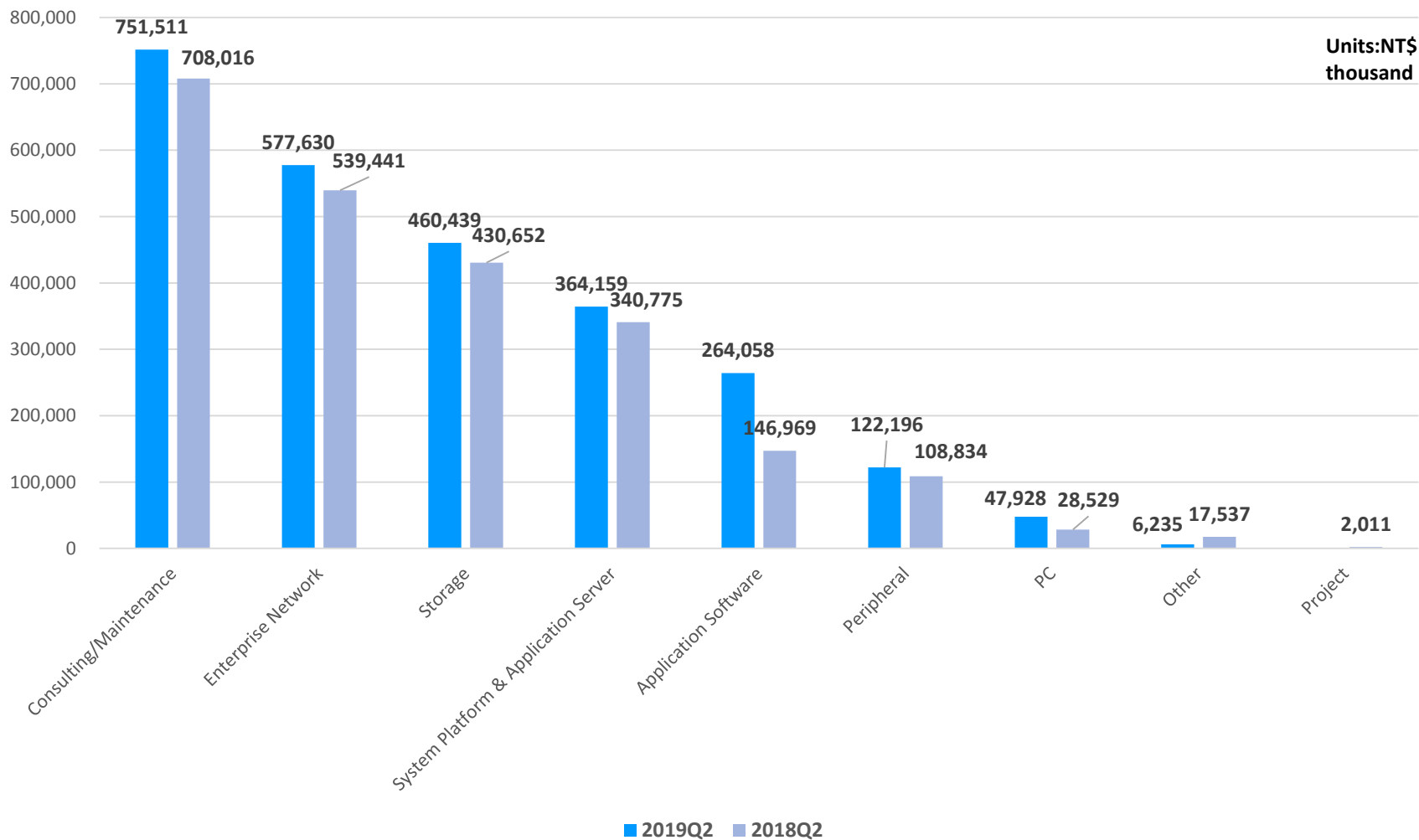
■ Peripheral

■ PC

■ Other

■ Project

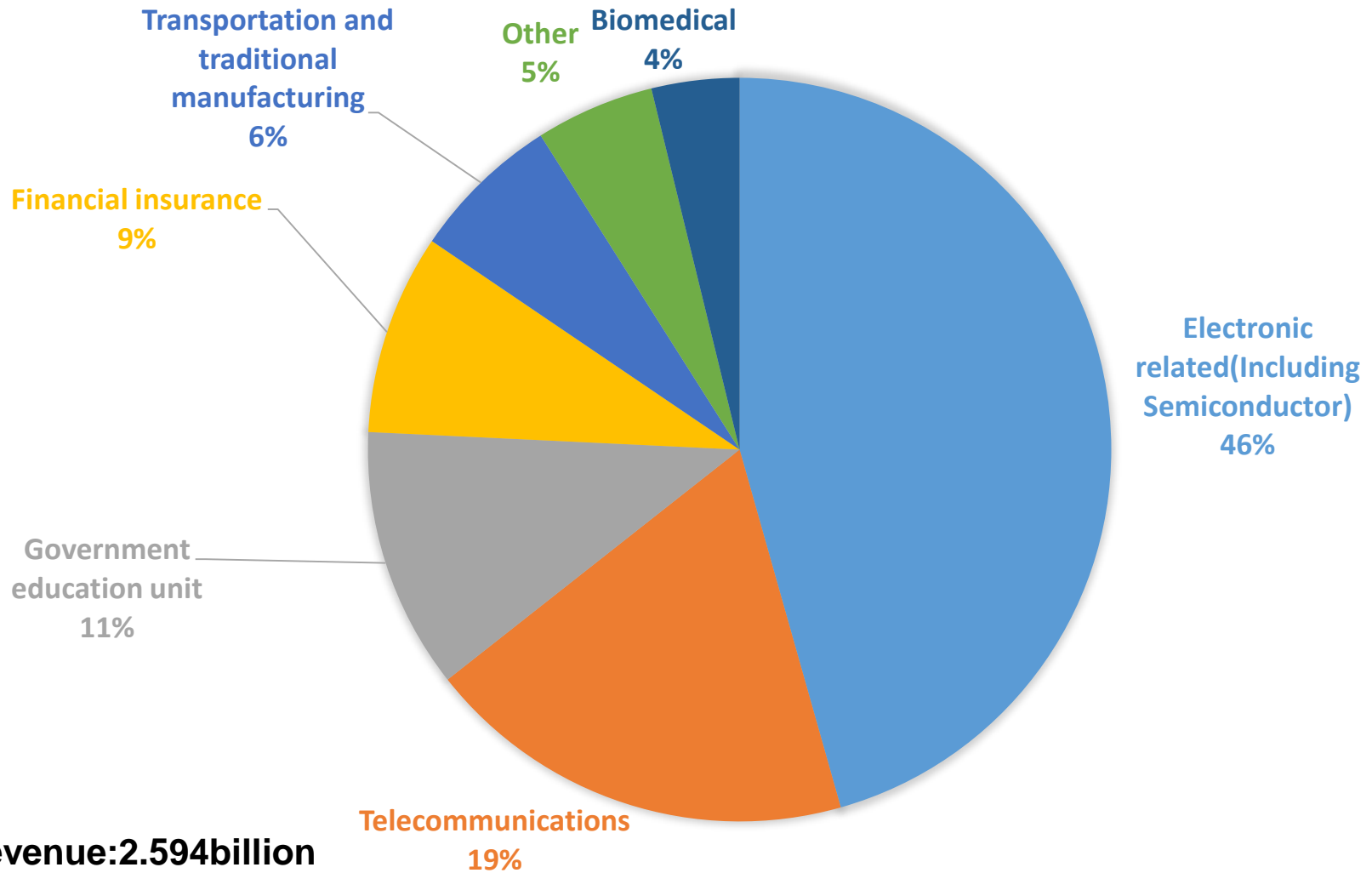
Compare Sales Revenues by Type



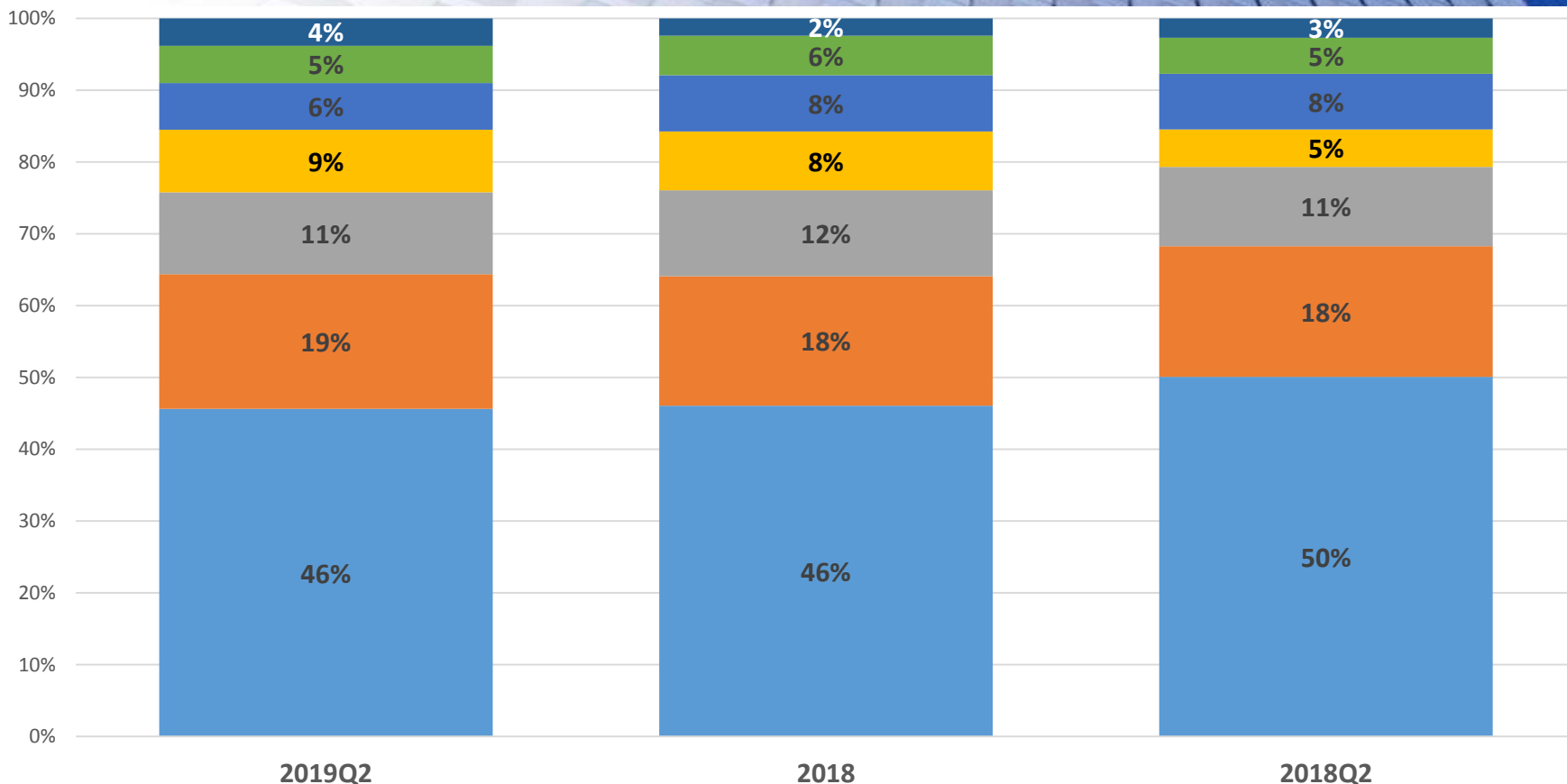
Revenue: 2.594 billion

Revenue: 2.323 billion

2019Q2 Sales Revenues by Industry

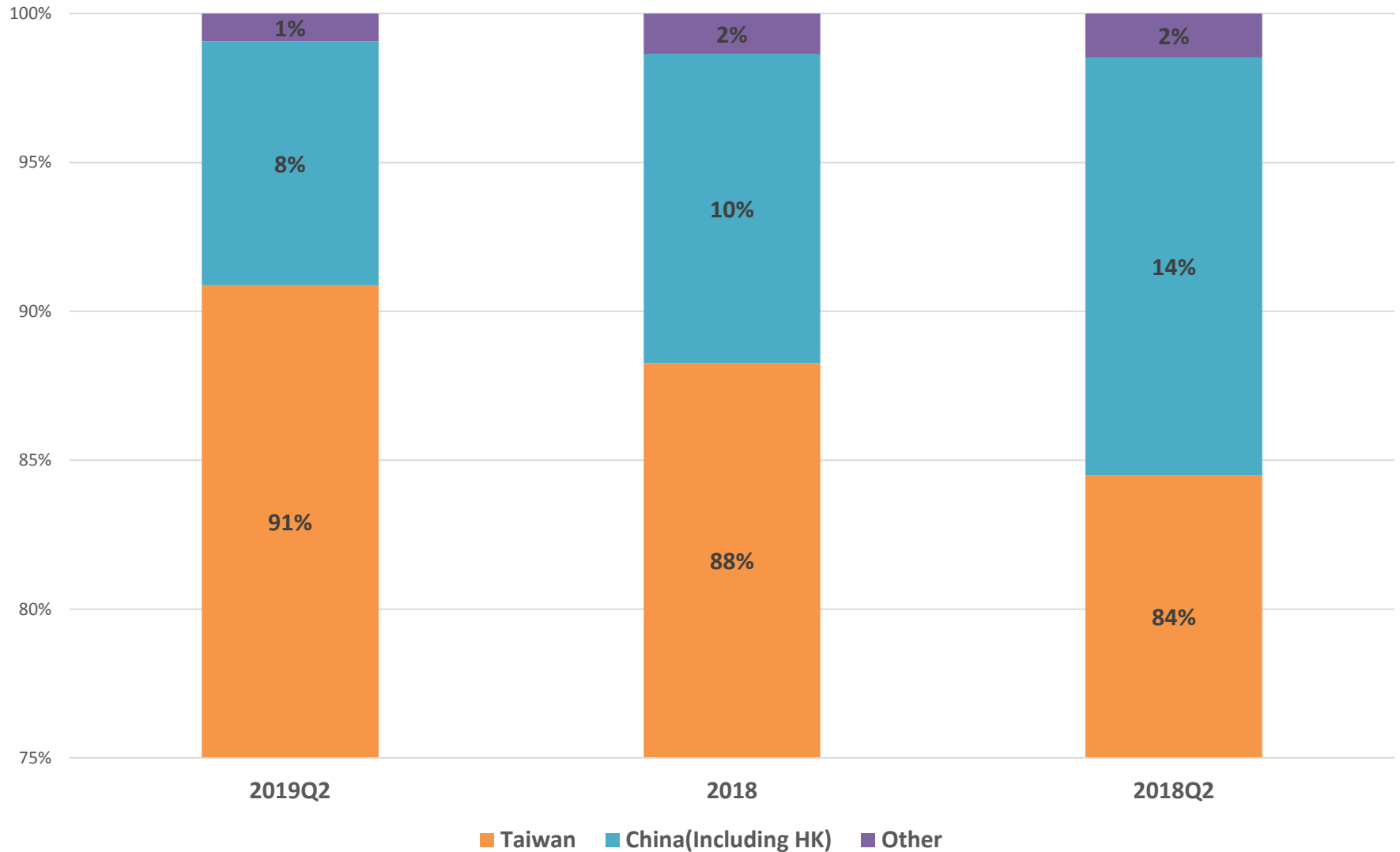


Comparison of Sales Revenues by Industry

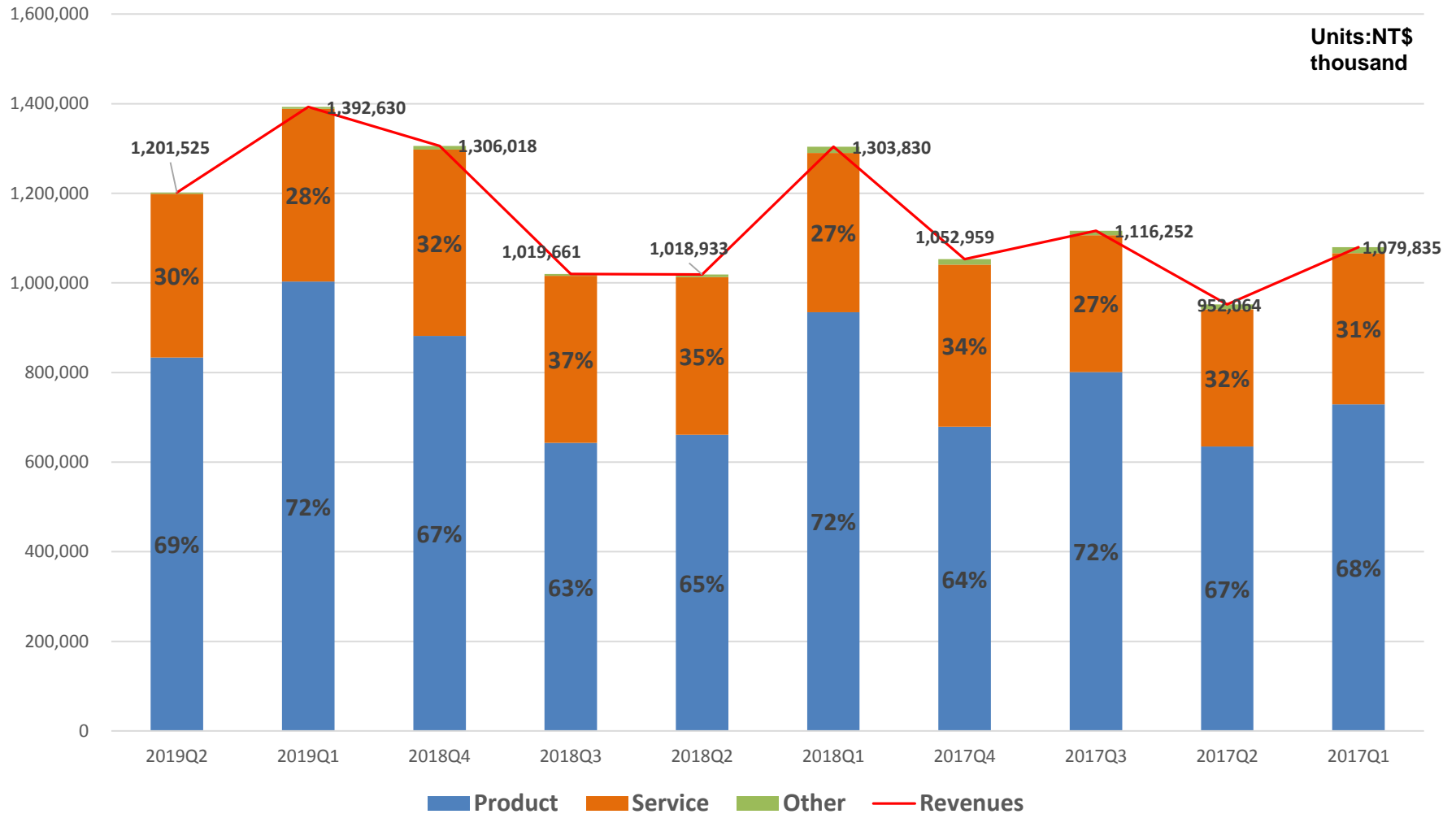



- Electronic related(Including Semiconductor)
- Telecommunications
- Government education unit
- Financial insurance
- Transportation and traditional manufacturing
- Other
- Biomedical

Comparison of Sales Revenues by Region



Quarterly revenue status





Q & A
Thank you!!



Stark Technology Inc.
敦陽科技股份有限公司