



# SYSTEMX Profile

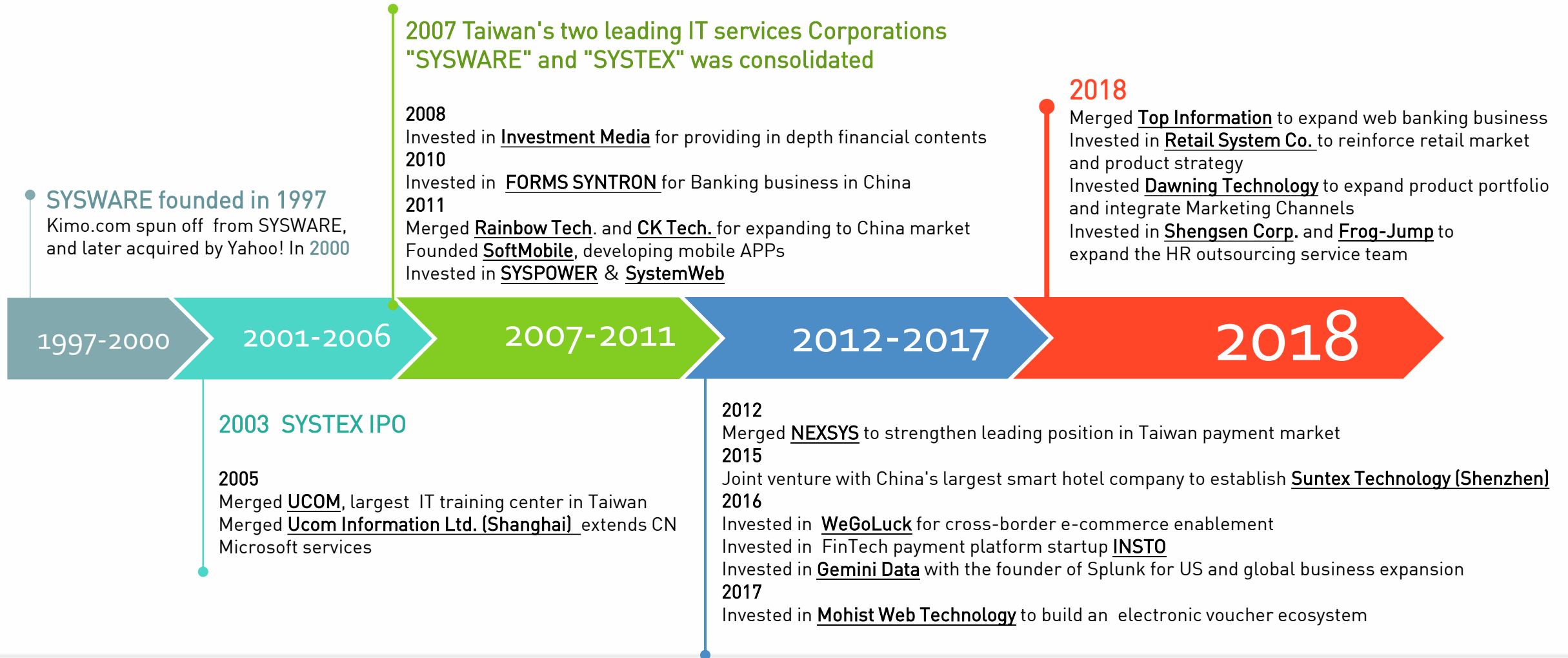
*CFO & COMPANY SPOKESMAN  
LARRY CHUNG  
2019.11.19*

SYSTEMX

Enabling **DX** with AI



# Milestone



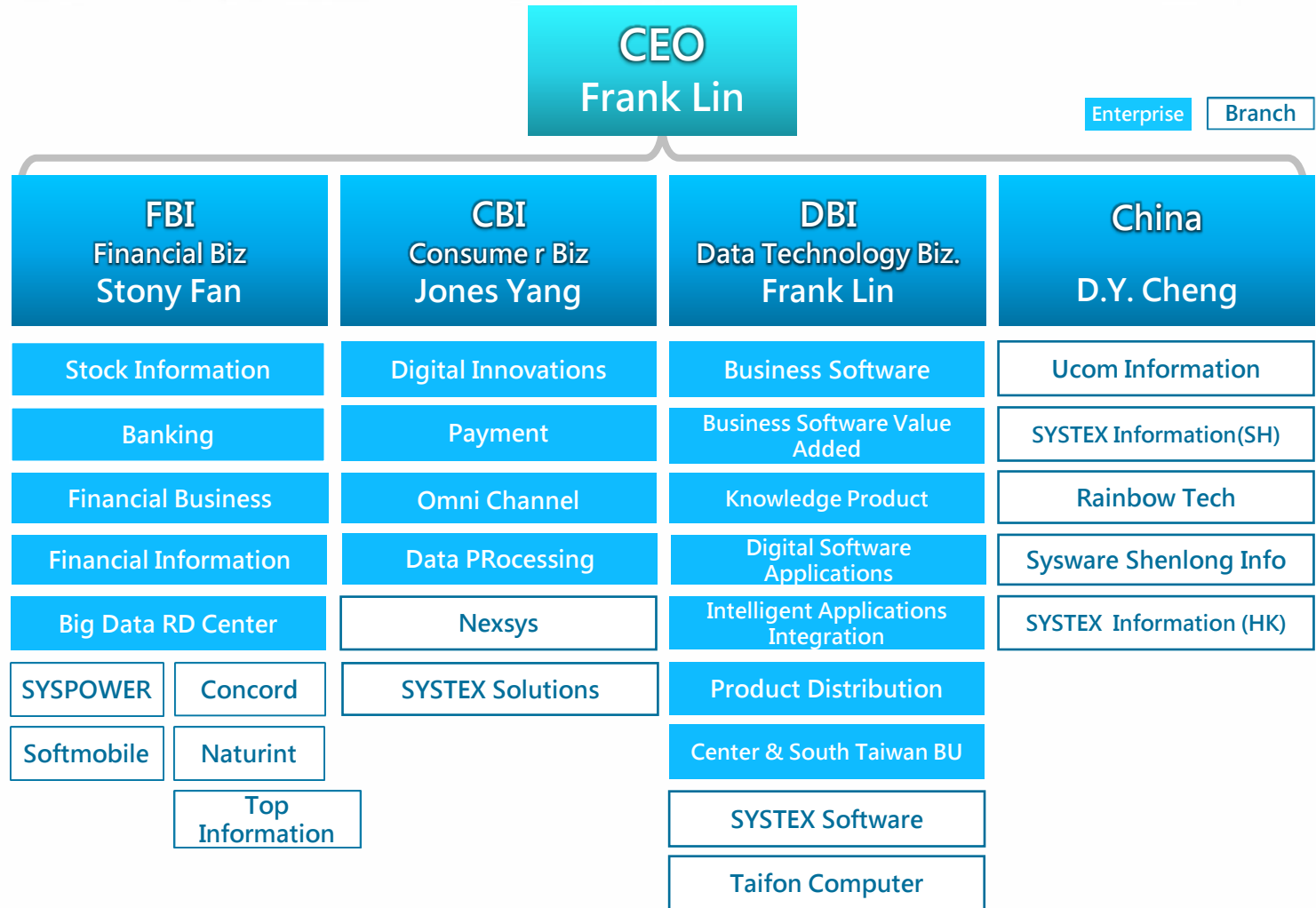
# Award & Recognition

- Crowned with 4th Taiwan Mittelstand Award by **《Industrial Development Bureau, Ministry of Economic Affairs, Taiwan》**
- SYSTEX has secured the **No.1** spot in the **Taiwan's software industry** for **12** consecutive years by **《Common Wealth Magazine》**
- Certification
  - ✓ ISO 9001 Quality Management
  - ✓ ISO 27001 Information Security Management
  - ✓ ISO 23001 Business Continuity Management
  - ✓ BS 10012 Personal Information Management





# Cross Border / Industry Operating Organizations



- ✓ Industry Oriented  
Smart Operation, Smart Finance, Smart Retail, Smart Medicare, Government
- ✓ Cross Border / Industry  
IT, OT, DT → AIoT, Ai4iA, Ai@iA
- TSE: 6214
- Employee: 3,000
- 2018 Revenue : USD 630 M

# Professional Service Provider

## Financial Business

Staff: 700p/Ecosystem Partner: 300p  
Technical Staff 80%

### Product Combinations and Value Added Service :

- ✓ *FinTech Product & Service*
- ✓ *Transaction Cloud Service*
- ✓ *Investors community service*
- ✓ *AI Insurance Solution*
- ✓ *Wealth Management*
- ✓ *Asset Management*
- ✓ *Enterprise APP development*

## Consumer Business

Staff :900p /Ecosystem Partner: 300p  
Technical Staff 80%

### Product Combinations and Value Added Service :

- ✓ *Robotic Applications*
- ✓ *Intelligent Call Center*
- ✓ *O2O Service*
- ✓ *Data Processing & Precision Marketing*
- ✓ *LBS + M2O Marketing*
- ✓ *C2B Ecommerce Platform*
- ✓ *Government Website & APP Maintenance*

## Digital Technology

Staff: 730 p/ Ecosystem Partner: 200p  
Technical Staff: 60%

### Product Combinations and Value Added Service :

- ✓ *Intelligent Manufacture*
- ✓ *Digital Transformation Consulting*
- ✓ *Data Integration & Analytic*
- ✓ *Business Software*
- ✓ *Cloud Solution*
- ✓ *Cybersecurity*
- ✓ *IT Training Center & Publication*

## China

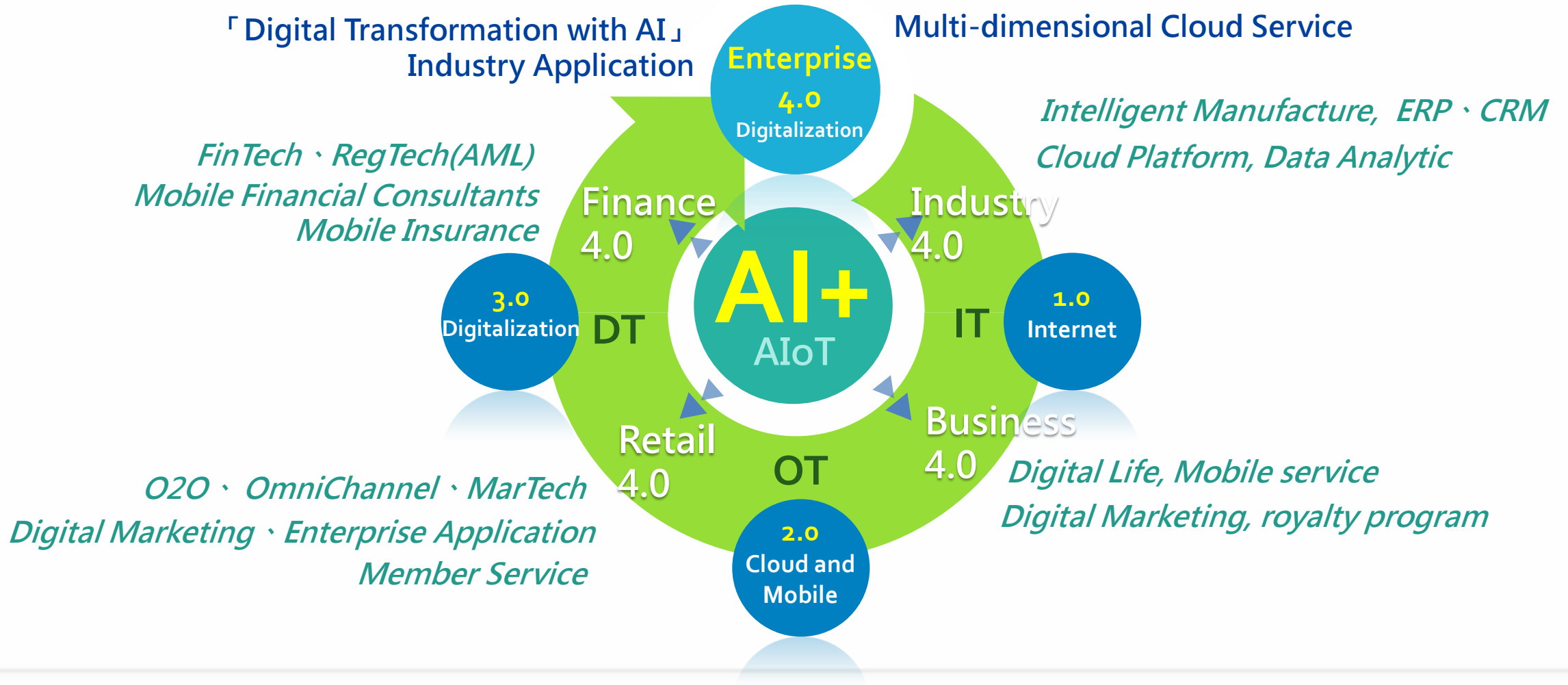
Staff: 400p/ Ecosystem Partner: 1650p  
Technical Staff : 60%

### Product Combinations and Value Added Service :

- ✓ *Business Software*
- ✓ *System Integration and Value Added Service*
- ✓ *Mobile Internet Solution*
- ✓ *Smart Hotel Solution*
- ✓ *Financial Value Added Service*

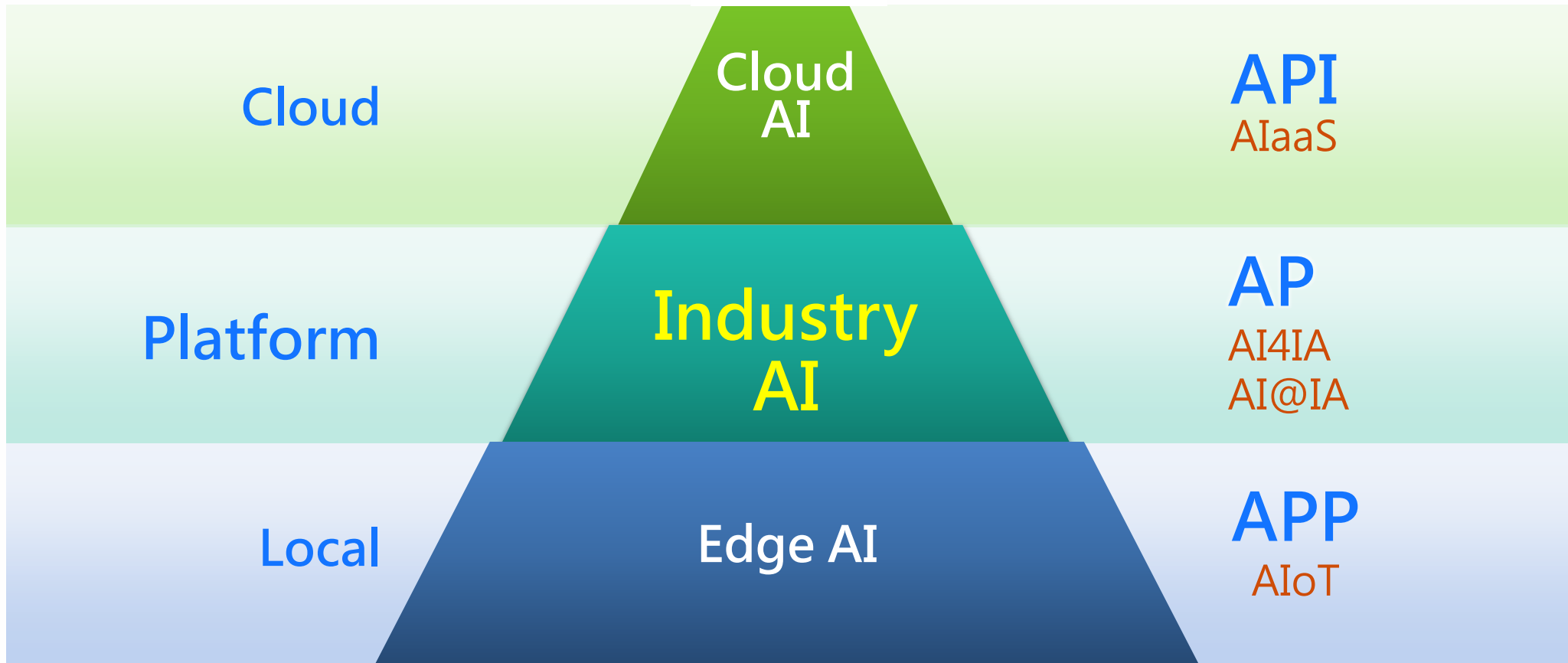
# From Digitalization to "Enterprise 4.0"

## ~Trusted Long Term Strategic Partner for Enterprises



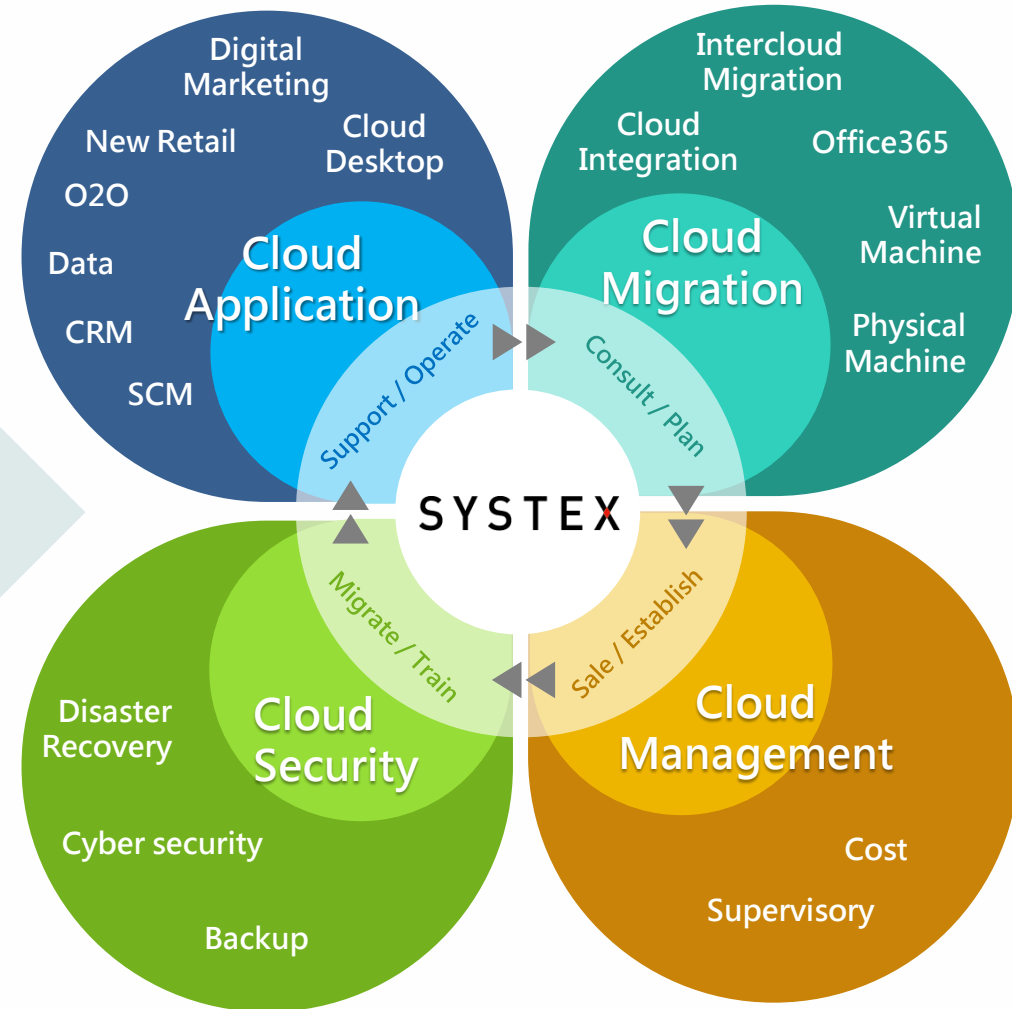


# Integrated AI Solutions for Industry Applications



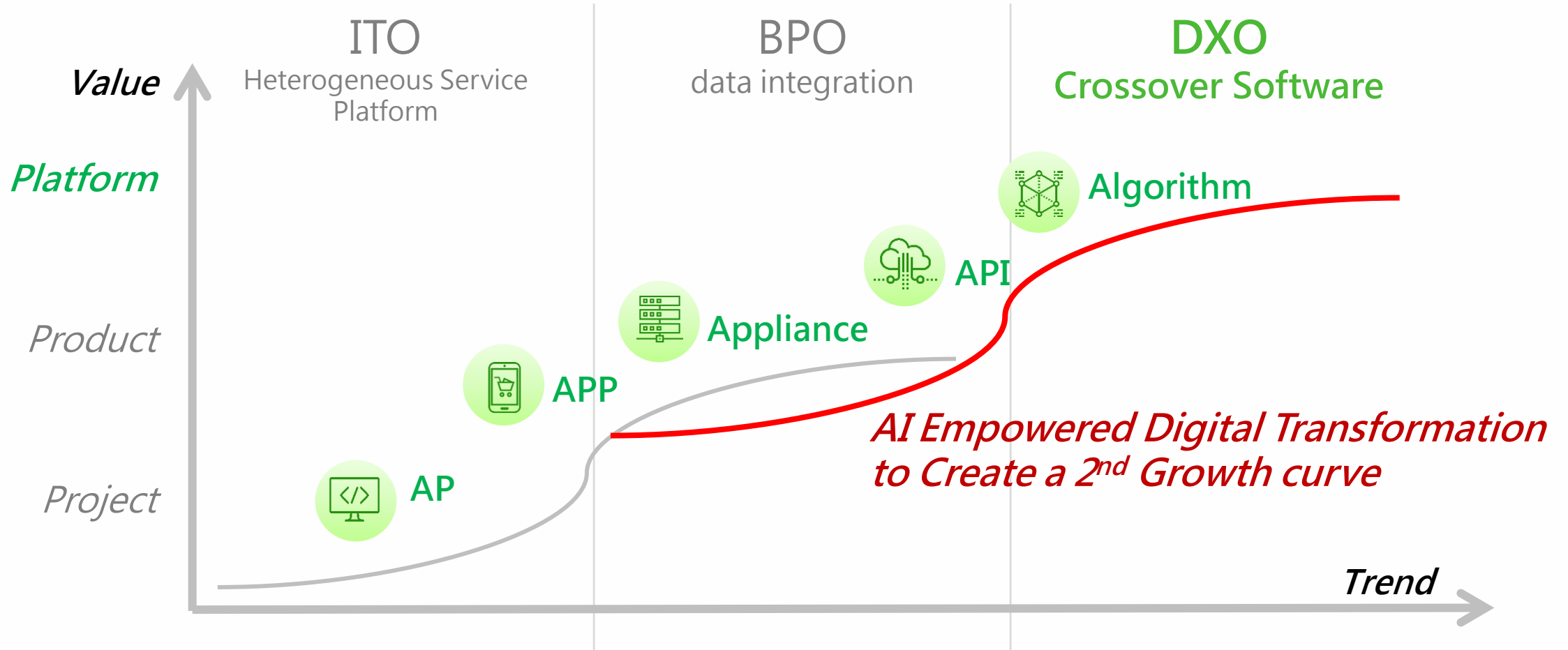
# Provide Cloud Service in Migration, Applications, Management, & Security

One-Stop  
Multi-dimensional Cloud Value Chain





# Enabling Digital Transformation with 5A Abilities



# AI Empowered Digital Transformation: Diverse Use Cases

## Model

### *Successful Cases*

- ✓ Intelligent Call Center
- ✓ Smart Reservation Service
- ✓ Smart City
- ✓ Citizen Card Solution
- ✓ AI for Transportation System
- ✓ Intelligent Medicare Service

## Data

### *Applications Developed with Data Science*

- ✓ CRM Total Solution Platform for Banking
- ✓ Smart Cloud Service of IoT
- ✓ Smart Bill Management
- ✓ Visualization with AI Interface
- ✓ Intelligent Manufacture and Data Innovation
- ✓ Intelligent Equipment
- ✓ AOI Automated Optical Inspection
- ✓ Intelligent Image Analysis
- ✓ TA Robot of Stock Market Forecast
- ✓ Autonomous Data Cloud for Data Investigation

## Experience

### *AI Applications in Daily Operation*

- ✓ Facial Recognition Payment
- ✓ Self-checkout
- ✓ AIoT Motion Sensor for Entertainment Device
- ✓ Smart self-service Store
- ✓ Facial Recognition Technology Application for Finance
- ✓ AR Intelligence Marketing APPs for Community Analysis
- ✓ Facial Recognition Technology for Security

## Operation

### *Outsourcing, Applications, and Services*

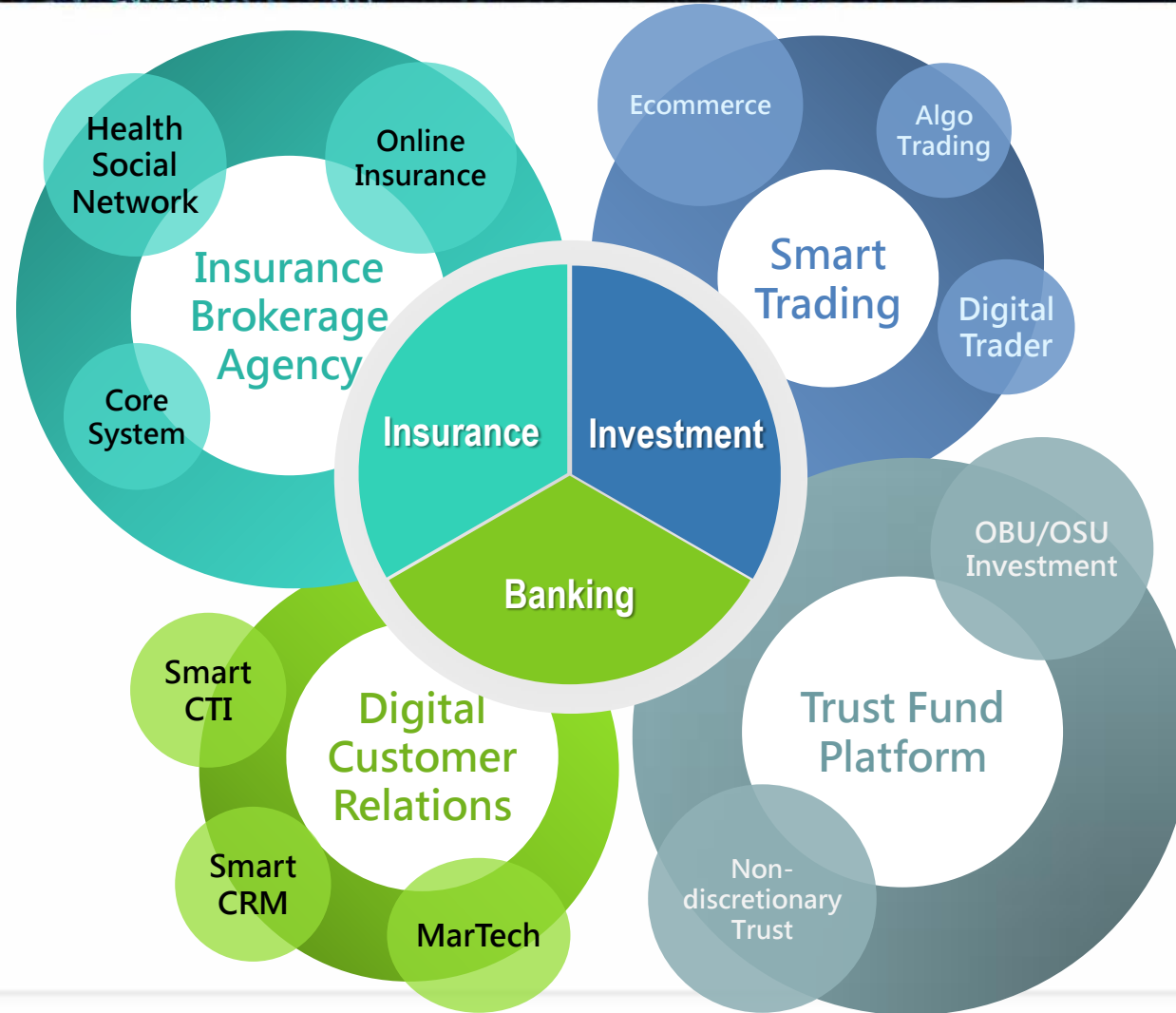
- ✓ Multiple Factors of Identity Verification
- ✓ Omni-Channel Reservation Service
- ✓ Enterprise Marketing Cloud Service
- ✓ Analysis and Machine learning System
- ✓ 3D/AR Intelligence Maintenance Platform
- ✓ AI-Driven Framework with IT/OT Automatic Defense
- ✓ AI Remote Interview Applications for HR
- ✓ Automation Consultant Service for Employees
- ✓ Applications of Medical System

## Corp. Society Responsibility

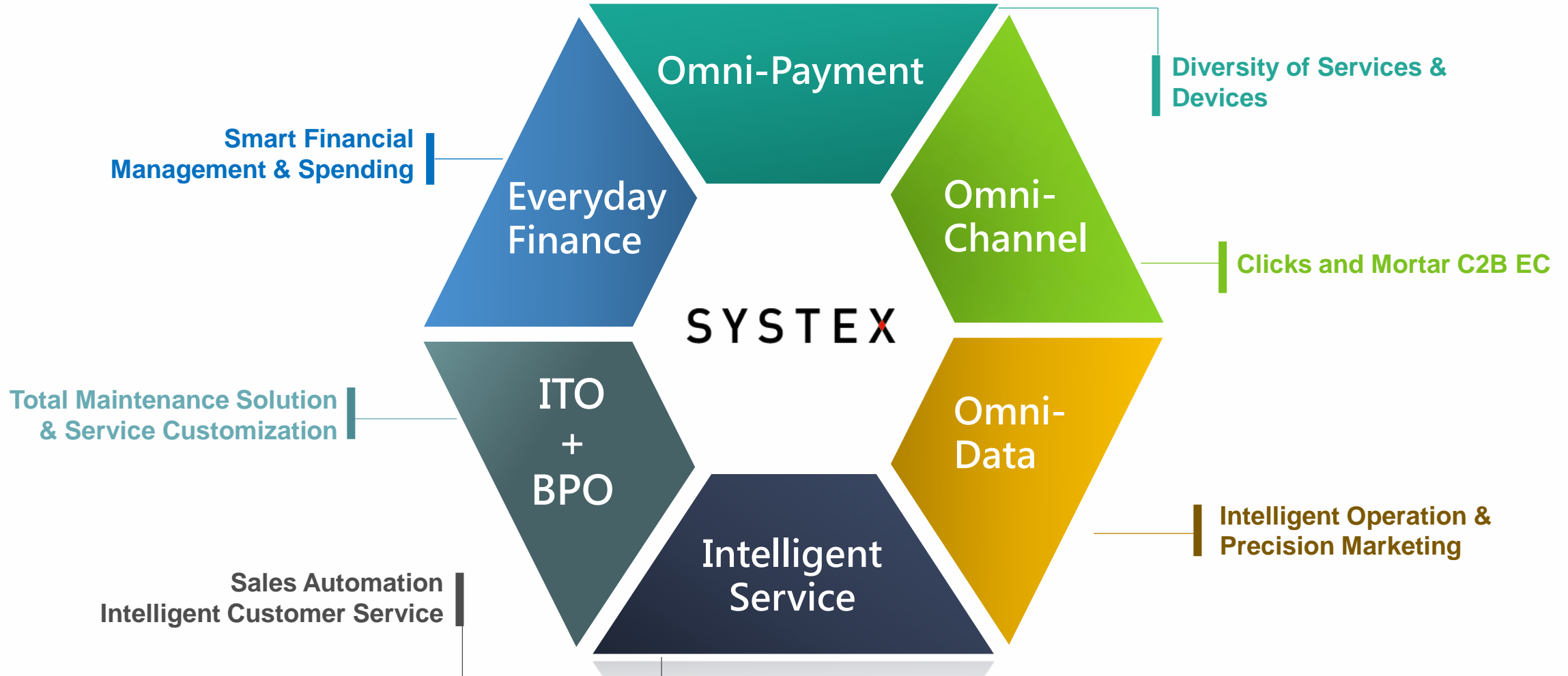
- ✓ D4SG(Data For Social Good) Fellowship
- ✓ YTP, Young Turing Program
- ✓ Charity Lunch for Students
- ✓ AI for Social Good Awarding Program
- ✓ AI+ School Program
- ✓ SYSTEX Elite Internship



# Smart Finance: Cloud Service + AI + Fintech Ecosystem

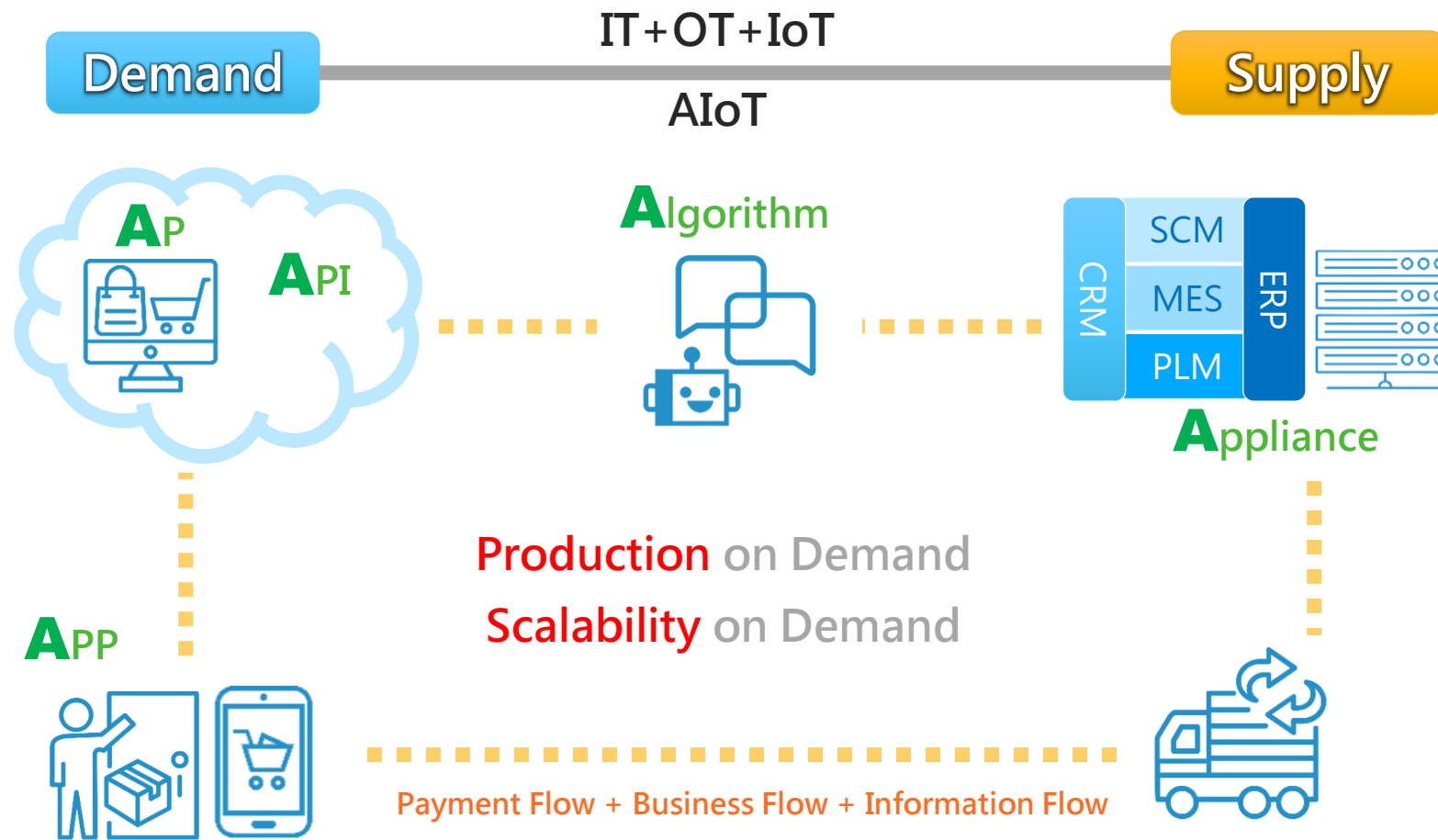


# Smart Retail : Empowering Omni-Channel and Omni-Payments





# Smart Operation: Heterogeneous Data & Platform Integration

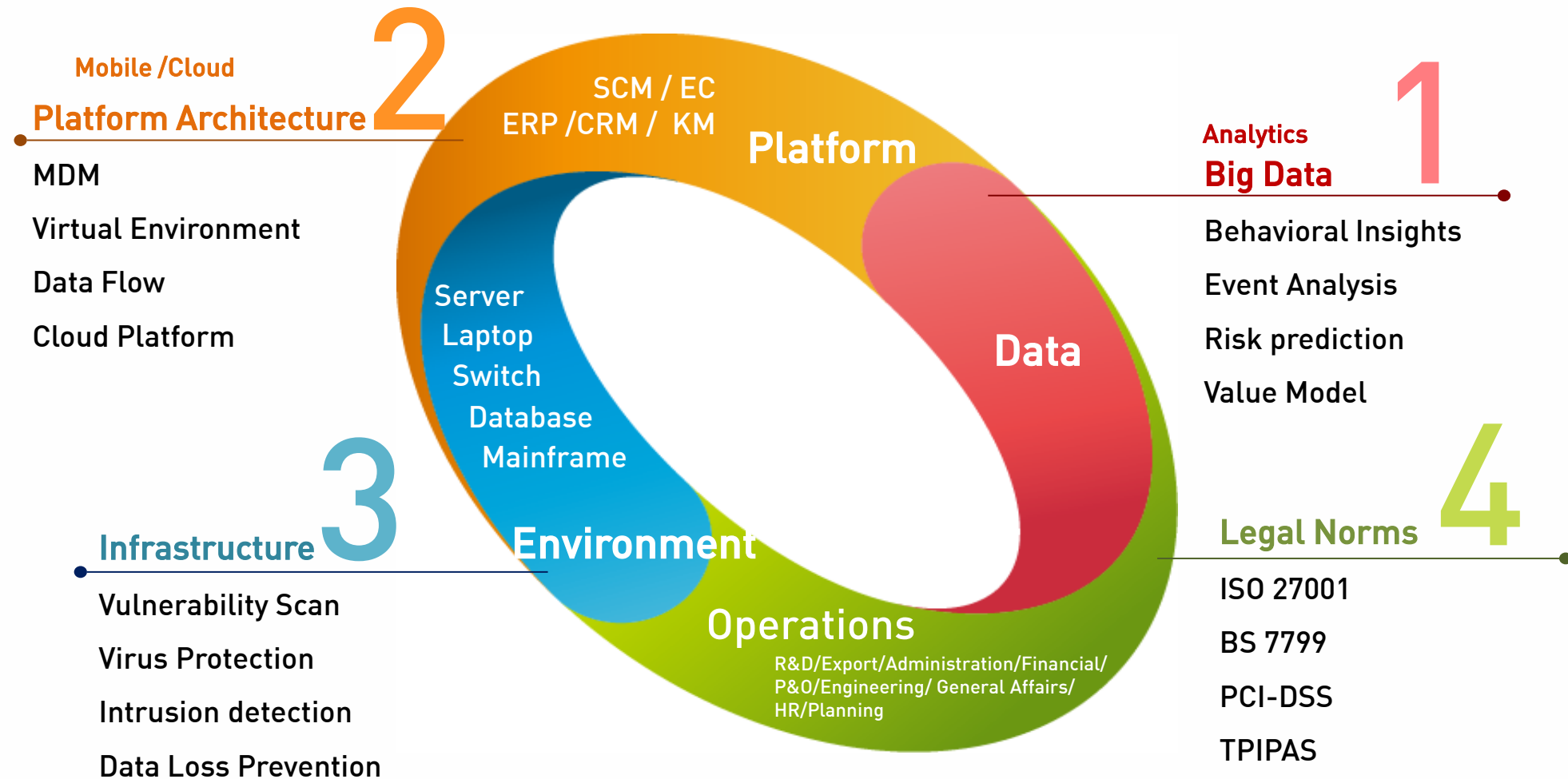


# China: Connecting Global Products with Local Value





# Cybersecurity Value Chain



# Comprehensive Medical Care Solution

Cloud Examination  
System  
Reporting System

Cloud Healthcare  
Individual Project  
Management  
Electronic Medical  
Records  
Transferring Platform

HIS  
RIS  
PACS

ePaper Ilot  
Mobile ward round  
APP  
Chatbot

E Examination  
Platform  
Social Working  
Associated System  
Telemedicine

## Medical Service Platforms



Veterans Hospital

Tri-Service Hospital

Public Health  
Department

Ministry of Health  
and Welfare

Others



# IT Training Total Solution

## Best of Breed for Professional IT Training

### Diversity

Networking

Programming

IT Security

Project  
Mgmt.

Multi-media

### Quality

Updated, advanced, and exclusive courseware design by  
.....industry professionals.....  
High Satisfaction among Professionals

### Customization

For Enterprise  
By Project

Online Projects  
Tailor-made Contents

### Publishing

Satisfy Knowledge Workers' Every Learning and Reading Taste

# BALANCE SHEETS

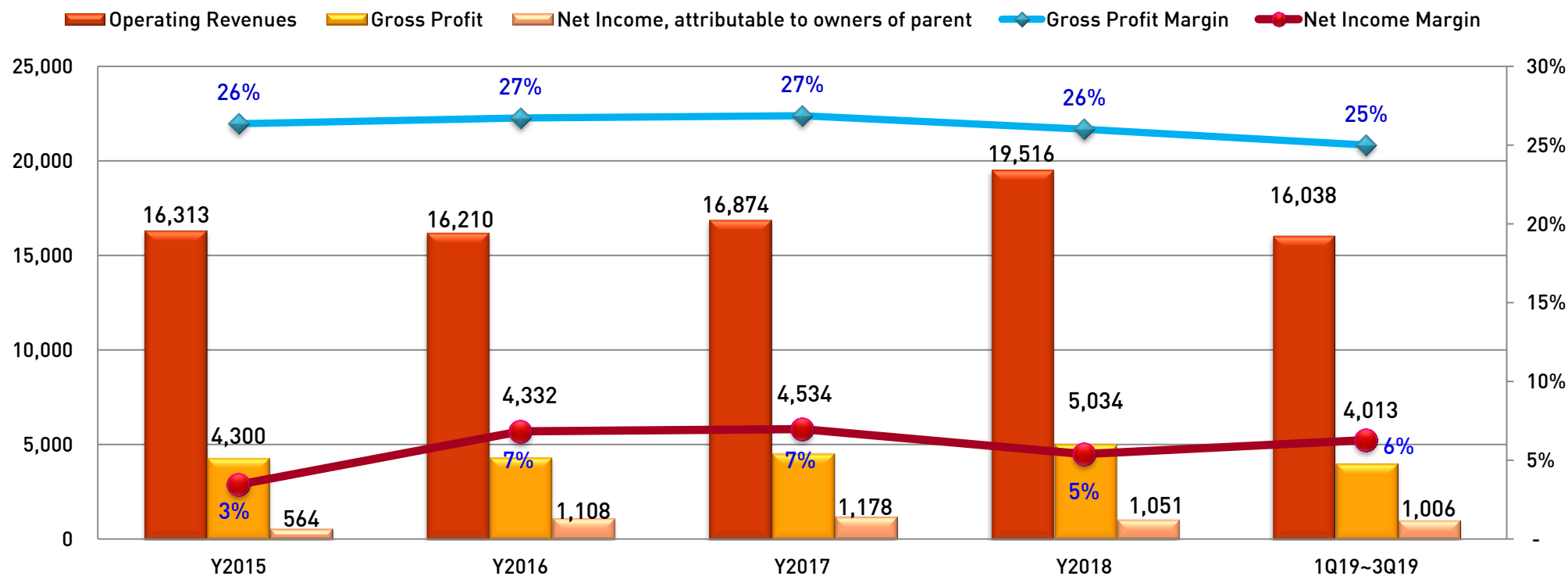
NT\$ million %

ITEM	2019/9/30	%	2018/12/31	%	2018/9/30	%
Cash and cash equivalents	2,315	12%	2,815	14%	2,296	12%
Current financial assets at fair value through profit or loss	2,763	14%	3,079	15%	3,331	17%
Trade and other current receivables	4,523	22%	3,703	18%	3,954	20%
Inventories	2,725	14%	2,894	15%	2,622	15%
Other current assets	1,505	7%	1,571	8%	1,478	7%
<b>Total current assets</b>	<b>13,831</b>	<b>69%</b>	<b>14,062</b>	<b>70%</b>	<b>13,681</b>	<b>71%</b>
Financial assets at fair value through profit or loss - non-current	1,635	8%	1,680	8%	1,606	8%
Financial assets at fair value through other comprehensive income - non-current	225	1%	112	1%	170	1%
Financial assets measured at amortized cost- non-current	500	2%	500	3%	500	3%
Investments accounted for using equity method	1,216	6%	1,241	6%	1,013	5%
Property, plant and equipment	1,937	10%	1,913	10%	1,919	10%
Right-of-use assets	323	2%	0	-	0	-
Intangible assets	89	-	116	1%	47	-
Total other non-current assets	386	2%	355	1%	331	2%
<b>Total non-current assets</b>	<b>6,311</b>	<b>31%</b>	<b>5,917</b>	<b>30%</b>	<b>5,586</b>	<b>29%</b>
<b>Total assets</b>	<b>20,141</b>	<b>100%</b>	<b>19,979</b>	<b>100%</b>	<b>19,267</b>	<b>100%</b>
Short-term loans	1,385	7%	816	4%	1,447	7%
Notes and accounts payable	2,905	15%	3,193	16%	2,640	14%
Other current liabilities	2,324	11%	2,483	13%	1,822	10%
<b>Total current liabilities</b>	<b>6,614</b>	<b>33%</b>	<b>6,492</b>	<b>33%</b>	<b>5,909</b>	<b>31%</b>
Total non-current liabilities	462	2%	292	1%	243	1%
<b>Total liabilities</b>	<b>7,076</b>	<b>35%</b>	<b>6,784</b>	<b>34%</b>	<b>6,152</b>	<b>32%</b>
Total share capital	2,694	13%	2,694	14%	2,694	14%
Capital surplus	6,512	32%	6,729	34%	6,750	35%
Retained earnings	5,040	25%	5,090	25%	5,027	26%
Other equity	(342)	-2%	(383)	-2%	(419)	-2%
Treasury shares	(928)	-4%	(1,004)	-5%	(1,004)	-5%
<b>Total equity attributable to owners of Corporation</b>	<b>12,976</b>	<b>64%</b>	<b>13,126</b>	<b>66%</b>	<b>13,048</b>	<b>68%</b>
Non-controlling interests	89	1%	69	-	67	-
<b>Total equity</b>	<b>13,065</b>	<b>65%</b>	<b>13,195</b>	<b>66%</b>	<b>13,115</b>	<b>68%</b>
<b>Total liabilities and equity</b>	<b>20,141</b>	<b>100%</b>	<b>19,979</b>	<b>100%</b>	<b>19,267</b>	<b>100%</b>
Book Value Per Share	52.32		53.36		53.04	



# Historical INCOME STATEMENT

UNIT: US million, %



	Y2015	Y2016	Y2017	Y2018	1Q19~3Q19
Operating Revenues	16,313	16,210	16,874	19,516	16,038
Gross Profit	4,300	4,332	4,534	5,034	4,013
Gross Profit Margin	26%	27%	27%	26%	25%
Operating Expenses	3,881	4,053	3,995	4,346	3,352
Operating Income	419	279	539	688	661
Operating Income Margin	3%	2%	3%	3%	4%
Non-Operating Items	286	967	761	553	502
Net Income, attributable to owners of parent	564	1,108	1,178	1,051	1,006
Net Income Margin	3%	7%	7%	5%	6%
EPS	2.29	4.50	4.79	4.27	4.07

# INCOME STATEMENT

UNIT : NTS million, %

ITEM	3Q19	2Q19	DIFF	3Q18	DIFF	1Q19~3Q19	1Q18~3Q18	DIFF
Operating Revenues	5,671	5,426	246	5,001	670	16,038	13,984	2,054
Operating Costs	4,341	4,004	337	3,771	570	12,025	10,369	1,656
Gross Profit	1,330	1,422	(91)	1,230	100	4,013	3,615	398
Gross Profit Margin	23%	26%	-3%	25%	-2%	25%	26%	-1%
Operating Expenses	1,162	1,171	(9)	1,092	69	3,352	3,081	271
Operating Income	169	251	(82)	138	31	661	534	127
Operating Income Margin	3%	4%	-1%	3%	-	4%	4%	-
Non-Operating Items (Notes 1 )	158	161	(3)	10	149	502	580	(78)
Income Before Income Tax	327	412	(85)	148	180	1,163	1,114	49
Income Tax Expense	40	74	(34)	43	(2)	154	154	0
Net Income	287	338	(51)	105	182	1,009	960	49
Net Income, attributable to non-controlling interests	1	2	(1)	(2)	2	3	(2)	5
Net Income, attributable to owners of parent	286	336	(50)	107	180	1,006	962	44
EPS	1.15	1.36	(0.21)	0.44	0.71	4.07	3.91	0.16

## Notes1 : Non-Operating Items

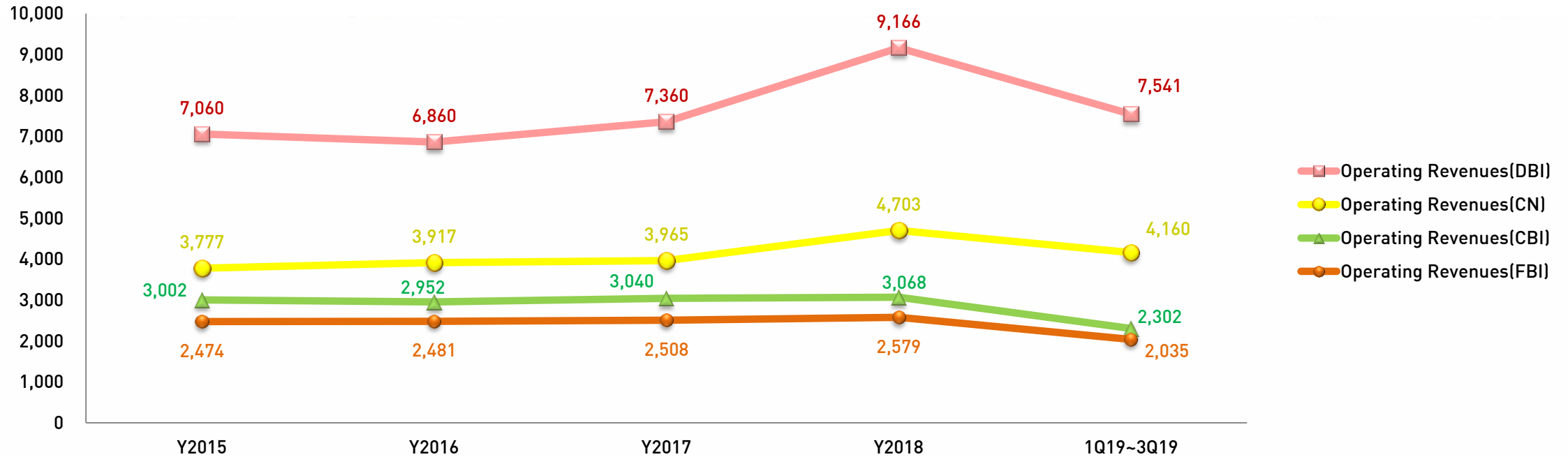
	3Q19	2Q19	DIFF	3Q18	DIFF	1Q19~3Q19	1Q18~3Q18	DIFF
Interest income and expense	(1)	5	(6)	3	(3)	9	6	3
Share of profit of associates	17	13	5	11	7	38	33	5
Gains on disposals of investments	115	72	42	74	41	166	554	(387)
Gains on financial assets at fair value through profit or loss	21	5	16	(161)	183	191	(120)	311
Dividend income	7	57	(50)	71	(65)	69	75	(6)
Foreign exchange gain(loss) , net	(6)	(4)	(2)	(8)	2	(1)	(12)	12
Other non-operating income and expenses	5	13	(7)	11	(6)	30	35	(6)
Total non-operating income and expenses	158	161	(3)	10	149	502	580	(78)



# Operating Revenues by BI

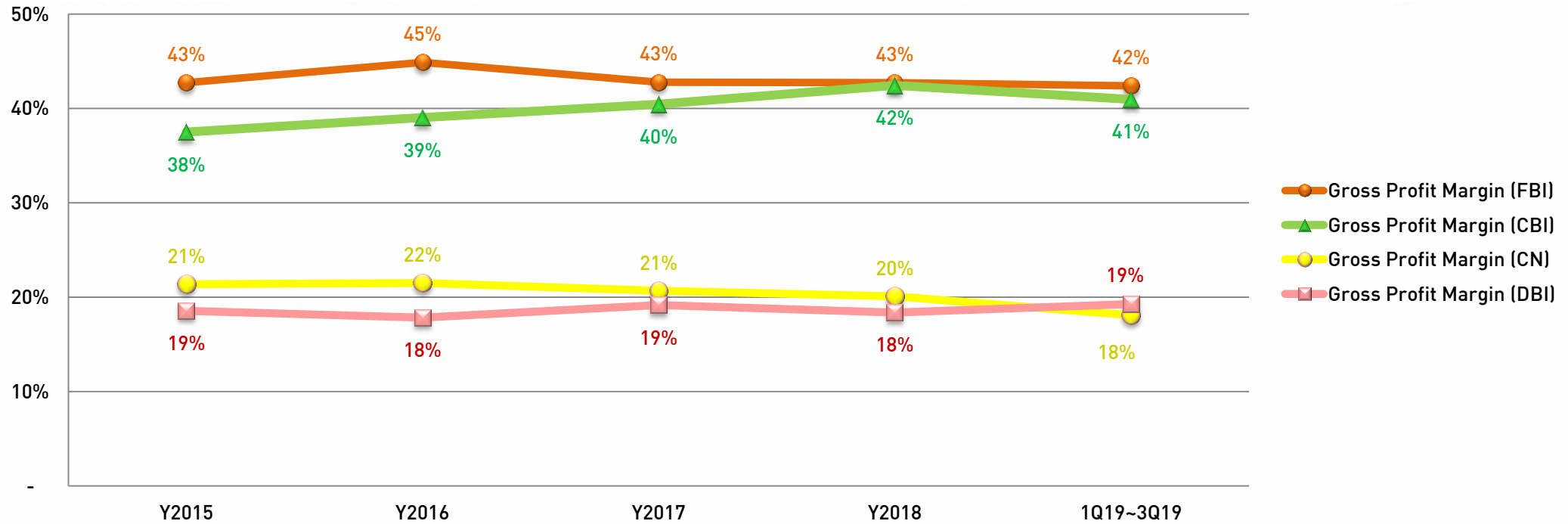
Unit: NT\$ million

NT\$ million



	Y2015		Y2016		Y2017		Y2018		1Q19~3Q19	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues	16,313	100%	16,210	100%	16,874	100%	19,516	100%	16,038	100%
Operating Revenues(FBI)	2,474	15%	2,481	15%	2,508	15%	2,579	13%	2,035	13%
Operating Revenues(CBI)	3,002	18%	2,952	18%	3,040	18%	3,068	16%	2,302	14%
Operating Revenues(DBI)	7,060	43%	6,860	42%	7,361	44%	9,166	47%	7,541	47%
Operating Revenues(CN)	3,777	23%	3,917	24%	3,965	24%	4,703	24%	4,160	26%

# Gross Profit Margin by BI

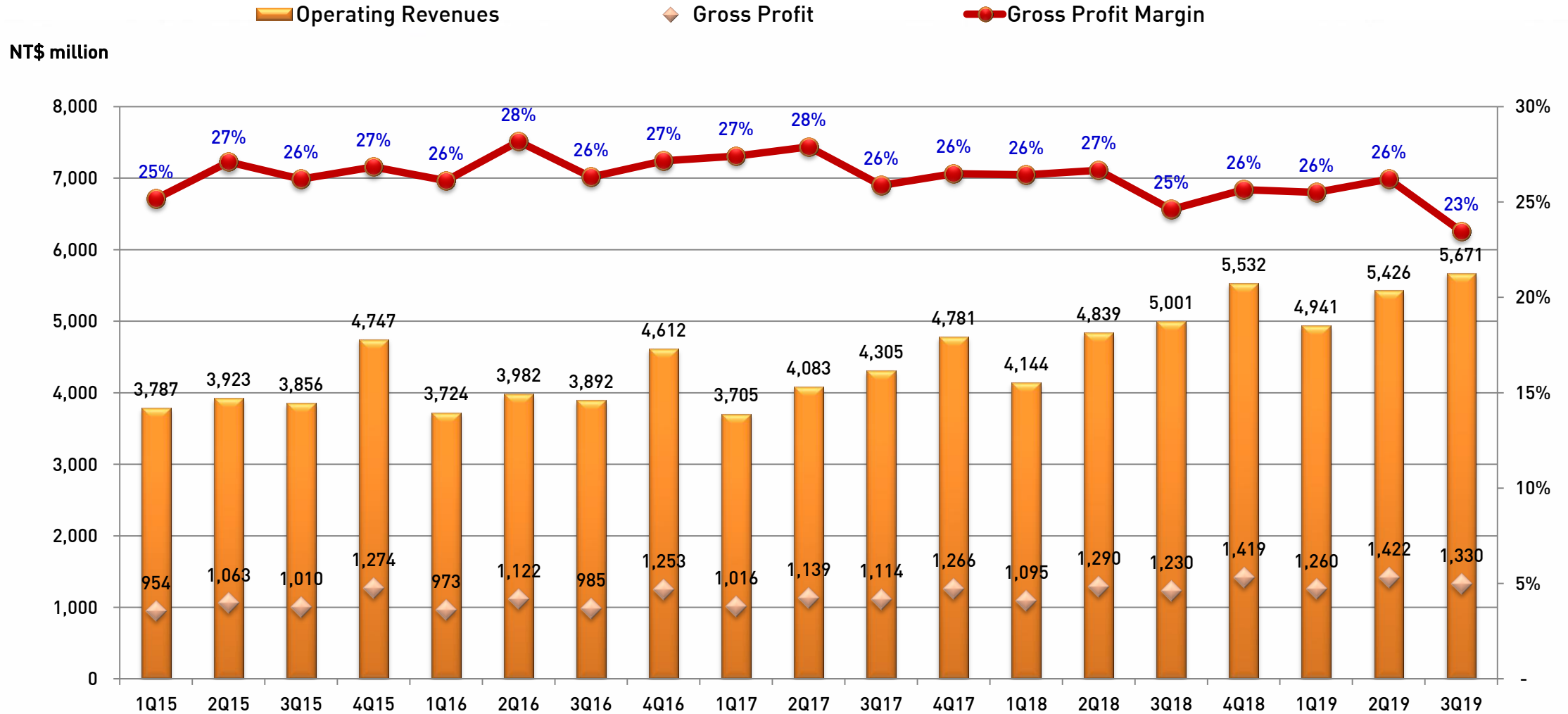


	Y2015	Y2016	Y2017	Y2018	1Q19~3Q19
Gross Profit Margin	26%	27%	27%	26%	25%
Gross Profit Margin (FBI)	43%	45%	43%	43%	42%
Gross Profit Margin (CBI)	38%	39%	40%	42%	41%
Gross Profit Margin (DBI)	19%	18%	19%	20%	19%
Gross Profit Margin (CN)	21%	22%	21%	18%	18%



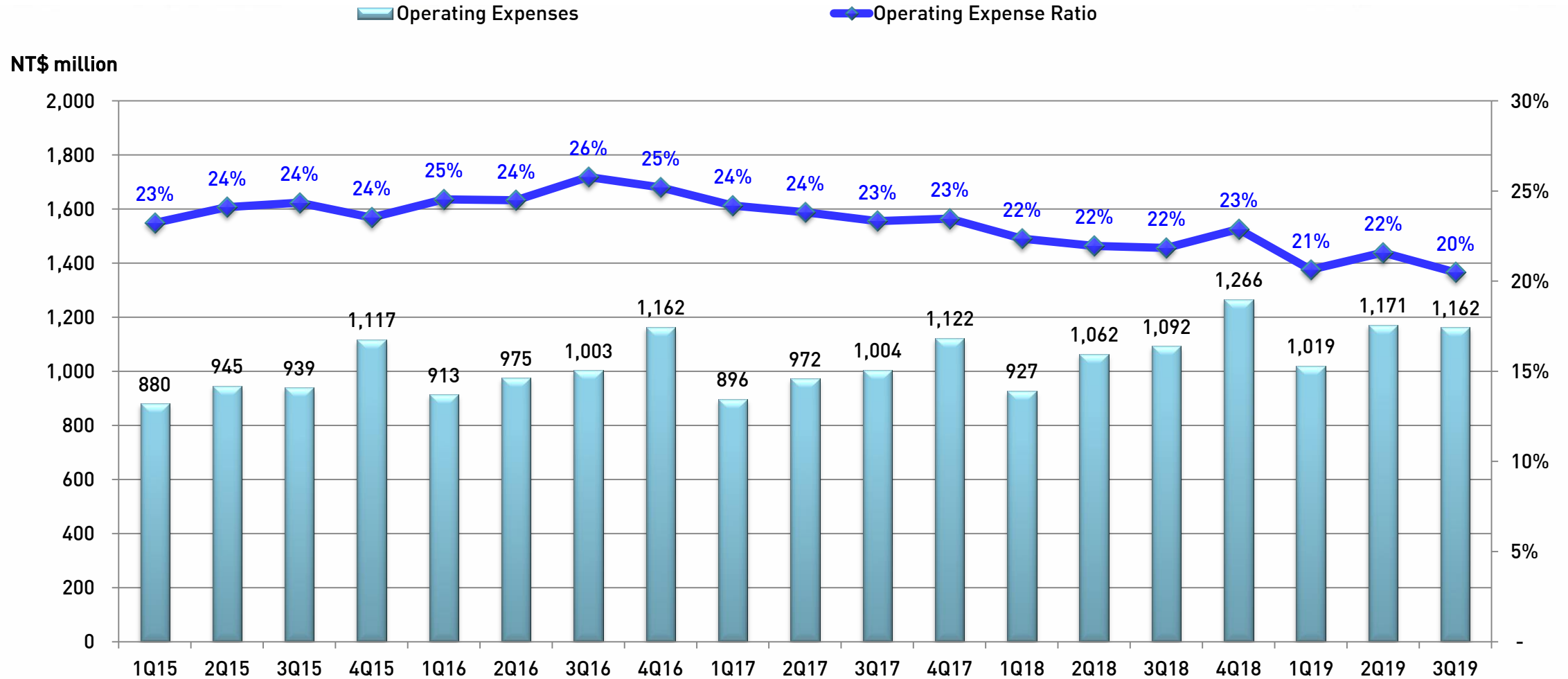
# Consolidated Operating Revenues & Gross Profit Margin

UNIT : NT\$ million , %



# Operating Expenses By Quarter

UNIT : NT\$ million , %





# SYSTEMEX

Enabling **DX** with AI

Thank You

