SYSTEX Profile

CFO & COMPANY SPOKESMAN
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SYSTEX Data Software Orchestration

Disclaimer

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A leading Taiwan-based IT Services Provider

- Employees: 4,000 (as of Jan., 2021)

- Top 100 Service Industry in Taiwan

- More than 50 office locations in Taiwan, China and Hong Kong

- Over 30,000 Enterprise and Public Sector Clients

- Business Focus
  Smart Manufacturing, Smart Finance, Smart Healthcare, Smart City, Smart CyberSecurity

- 2020 Revenue: USD $803 Million

Milestone

SYSWARE founded in 1997
Kimo.com spun off from SYSWARE,
and later acquired by Yahoo! In **2000**

2003 SYSTEX IPO

2005
Merged **UCOM**, largest IT training center in Taiwan
Merged with the leading securities and bonds company
in the domestic software market – **Yu-Lung Co., Ltd.**

2016
Invested in **Gemini Data** with the founder of Splunk for US and global business expansion
2018
Merged **Top Information** to expand web banking business
Invested in **Retail System Co.** to reinforce retail market and product strategy
Invested **Dawning Technology** to expand product portfolio and integrate Marketing Channels
2019
Invested in **AIWin** to acquire AI-AOI technology and business opportunity
Merged **Zechster** Cloud Team for extending AI hybrid cloud service market
Won Microsoft's 2019 Taiwan Partner of the Year Award

1997-2006	2007-2012	2013-2019	2020

2007 Taiwan's two leading IT Services Corporations "SYSWARE" and "SYSTEX" was consolidated
Acquired **Taiwan Electronic Data Processing Corporation** to formally enter the medical information service market
2010
Invested in **FORMS SYNTRON** for Banking business in China
Acquired the Taiwan SI companies **Taifon** and **Concord** to create an integrated IT services ecosystem.
2011
Founded **SoftMobile**, developing mobile APPs
Invested in **SYSPOWER**
2012
Merged **NEXSYS** to strengthen leading position in Taiwan payment market

Founded AI HPC brand **GARAOTUS** focusing on overseas cloud market
Invested **Baoruh** to enter the internet of vehicles based on 5G communications market
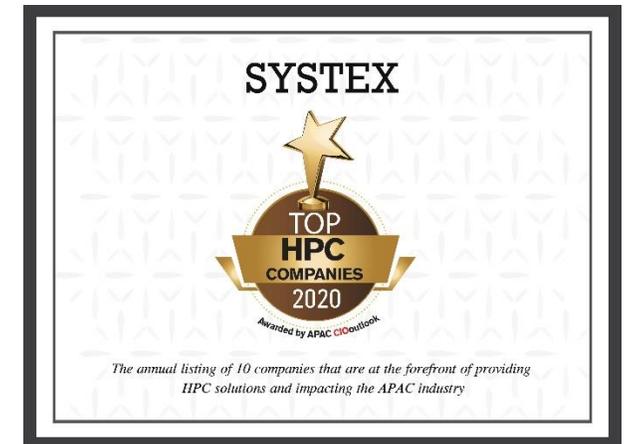Invested **E-Service Information Co.** to develop data driven applications
Invested **TIST Co.**, adding value to social welfare system
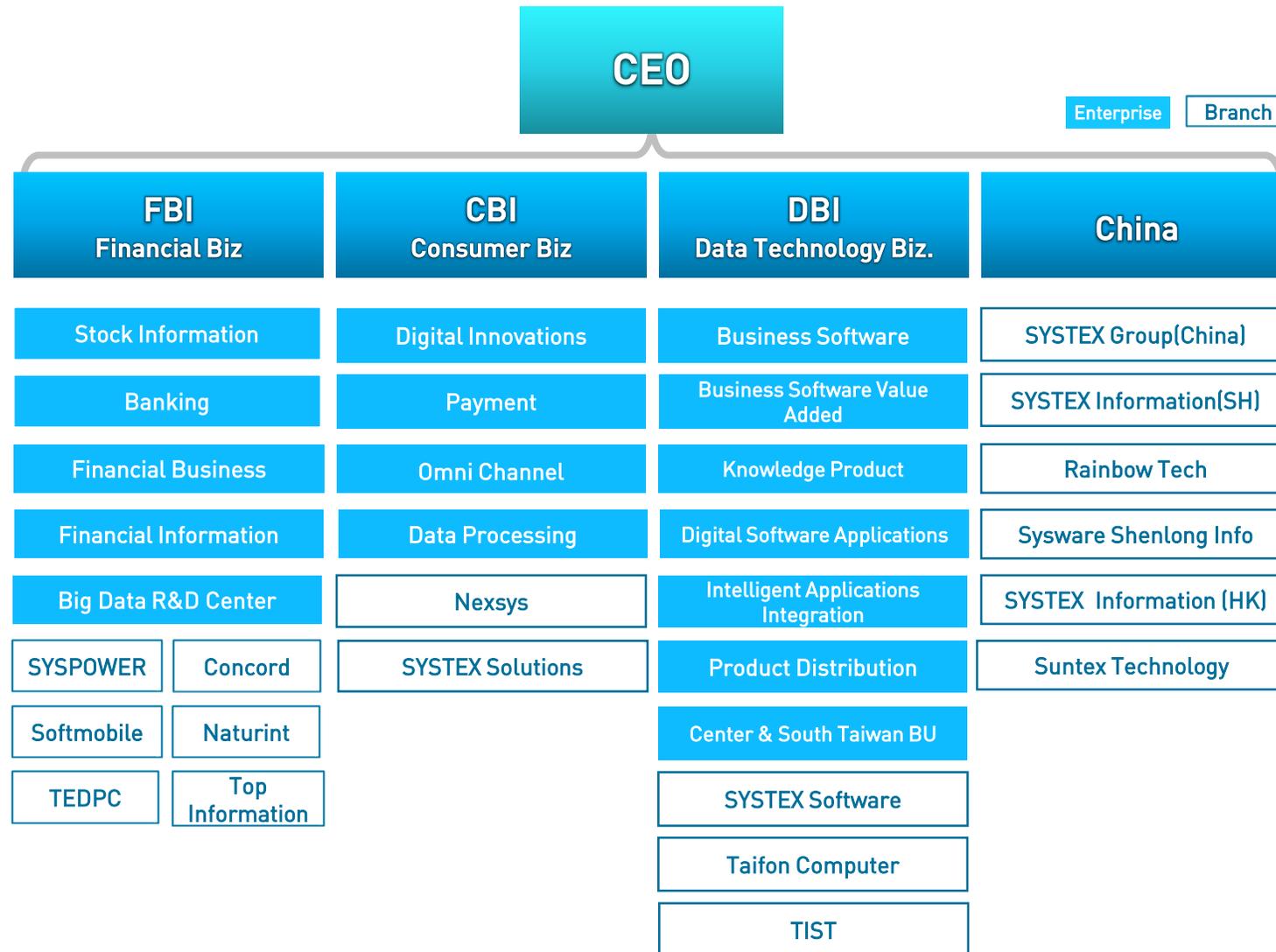
Recognized Software Solution Provider

- Secured the **No.1 spot** in **Taiwan's software industry** for **over 10 consecutive years** by Common Wealth Magazine

- Crowned with **4th Taiwan Mittelstand Award** by **Industrial Development Bureau, Ministry of Economic Affairs, Taiwan**

- **A Certified Information Security Service Provider** by Industrial Development Bureau in 2020

- Awarded **APAC TOP 10 HPC Company** in 2020 by APAC CIO Outlook

- **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

CEO

Enterprise | Branch

FBI Financial Biz	CBI Consumer Biz	DBI Data Technology Biz.	China
Stock Information	Digital Innovations	Business Software	SYSTEX Group(China)
Banking	Payment	Business Software Value Added	SYSTEX Information(SH)
Financial Business	Omni Channel	Knowledge Product	Rainbow Tech
Financial Information	Data Processing	Digital Software Applications	Sysware Shenlong Info
Big Data R&D Center	Nexsys	Intelligent Applications Integration	SYSTEX Information (HK)
SYSPOWER / Concord	SYSTEX Solutions	Product Distribution	Suntex Technology
Softmobile / Naturint		Center & South Taiwan BU	
TEDPC / Top Information		SYSTEX Software	
		Taifon Computer	
		TIST	

Professional Service Provider

Financial Business

Staff: 700
Ecosystem Partner: 300
Technical Headcounts Ratio: 80%

Product Combinations and Value Added Service：

- ✓ Smart Finance：AI, Big Data, & Cloud Technology for FinTech, RegTech & InsurTech
  - • Intelligent Virtual Assistants
  - • Online Account-Opening
  - • Asset Management System
  - • Financial Big Data Risk Management
  - • Digital Insurance Service
- ✓ MarTech：AR/XR、User Behavior Analytics

Consumer Business

Staff :900
Ecosystem Partner: 300
Technical Headcounts Ratio: 80%

Product Combinations and Value Added Service：

- ✓ Robotic Applications
- ✓ Intelligent Call Center
- ✓ O2O Service
- ✓ Data Processing & Precision Marketing
- ✓ LBS + M2O Marketing
- ✓ C2B e-commerce Platform
- ✓ Website & APP Development & Maintenance

Digital Technology

Staff: 730
Ecosystem Partner: 200
Technical Headcounts Ratio: 60%

Product Combinations and Value Added Service：

- ✓ Intelligent Manufacturing Solutions
- ✓ Digital Transformation Consulting Services
- ✓ Data Integration & Analytics
- ✓ Business Software
- ✓ Cloud Solutions
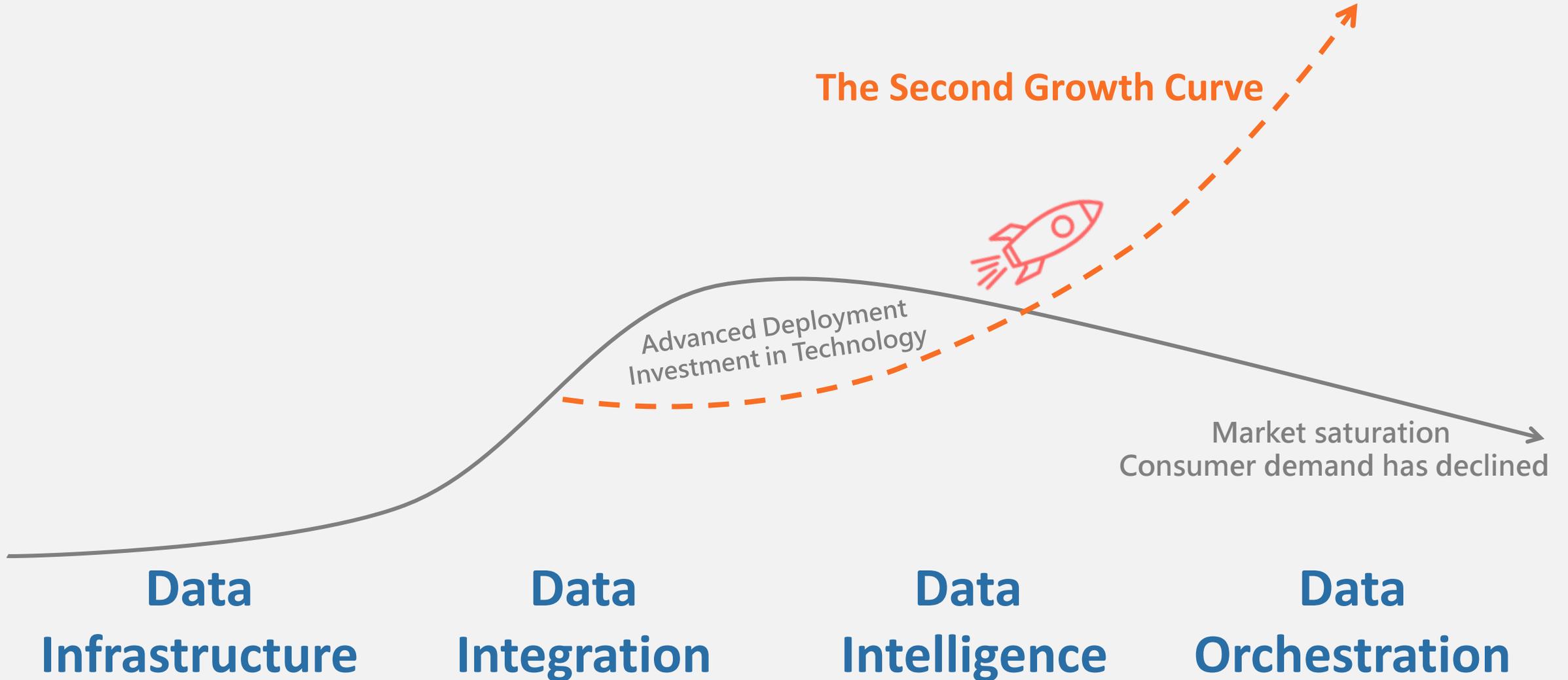- ✓ Cybersecurity Solutions
- ✓ IT Training Center & Publication

China

Staff: 400
Ecosystem Partner: 1, 650
Technical Headcounts Ratio: 60%

Product Combinations and Value Added Service：

- ✓ Business Software
- ✓ System Integration and Value Added Service
- ✓ Mobility Solutions
- ✓ Smart Hotel Solutions
- ✓ Financial Value Added Service
- ✓ Cloud Solutions

Exponential Business Growth Curve

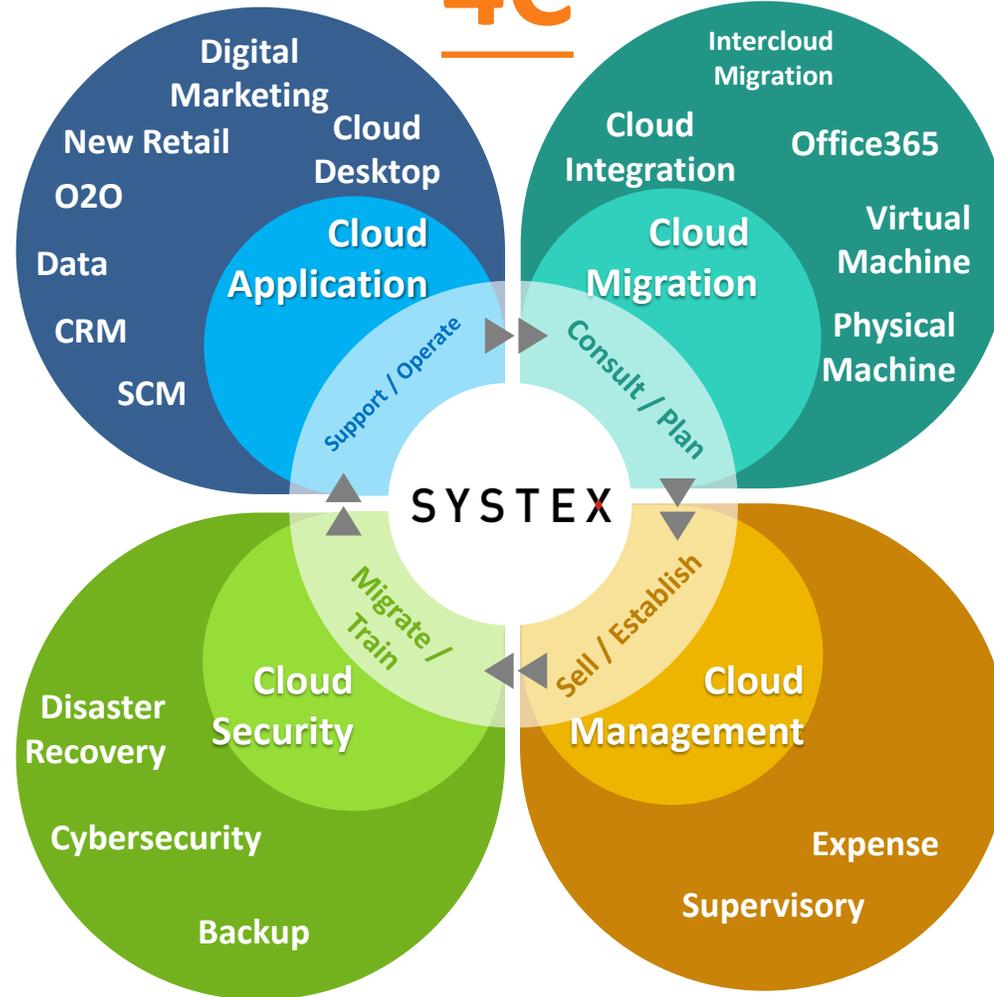The Second Growth Curve

Advanced Deployment
Investment in Technology

Market saturation
Consumer demand has declined

**Data
Infrastructure**

**Data
Integration**

**Data
Intelligence**

**Data
Orchestration**

Core Competence : 5A@4C.3D

5A

AP

APP

API

Appliance

Algorithm

4C

Digital Marketing

New Retail

O2O

Data

CRM

SCM

Cloud Desktop

Cloud Application

Support / Operate

Intercloud Migration

Cloud Integration

Office365

Cloud Migration

Virtual Machine

Physical Machine

Consult / Plan

SYSTEX

Migrate / Train

Sell / Establish

Disaster Recovery

Cloud Security

Cybersecurity

Backup

Cloud Management

Expense

Supervisory

3D

Data Integration

Data Intelligence

Data Orchestration

Data Orchestration

Data Monetization	Data Insight	Data Governance
Data Integration	**Data Intelligence**	**Data Orchestration**
Software	Data	Algorithm

Multi Hybrid Cloud
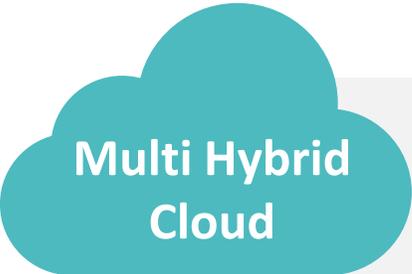
Virtualization

Container

Micro services

5 Key Application Aspects

Smart Manufacturing

Key processing/ heterogeneous data Integration

✔ 3D War Room
✔ Global Distributor Inquiry System
✔ Production Information and Raw Material Management System
✔ AI-Driven IT/OT/IoT Security
✔ AI-AOI
✔ AR Smart Maintenance
✔ Quality-Control & Data Analytics Platform
✔ Product Quality Prediction and Optimization

Smart City

Smart Service, Better Life

✔ Shop Push Marketing
✔ Smart School
✔ Virtual and Real Citizen Card Applications
✔ Infectious Disease Reporting System
✔ Digital Archive
✔ Omni-Payments
✔ Self-Service Ordering/ Vender Machine
✔ AI Robot/ Facial Recognition
✔ Visitor Flow Analysis

Smart Finance

Integration of Fintech Innovation

✔ CRM System
✔ Robo-advisor
✔ Service Robots
✔ TA Robot
✔ AI-based Customer Service
✔ Mobile Payment
✔ Digital Insurance
✔ Anti-Money Laundering
✔ AI-Based Fraud Detection
✔ Interactive Marketing

Smart Security

Continuous, Effectiveness, Cyber Security Eco-system Integration

✔ Continuous Adaptive Risk/Trust Assessment
✔ Cyber Center Operation
✔ Blue Team Exercise
✔ Human Error Insight System / Social Engineering Solution
✔ Cyber Security Solutions Distribution
✔ Cyber Security Assessment Check
✔ GCB Deployment and Management

Smart Healthcare

Comprehensive Medical Care Solutions

✔ NLP Chatbots for Healthcare
✔ AI-powered Cloud Service for Healthcare
✔ Sarcopenia Assessment Tools
✔ OSCE Online Examination System
✔ Ward Round APP
✔ Health Insurance e-Examination Platform
✔ HIS/PACS

Global Ecosystem Partners

Industry Clients
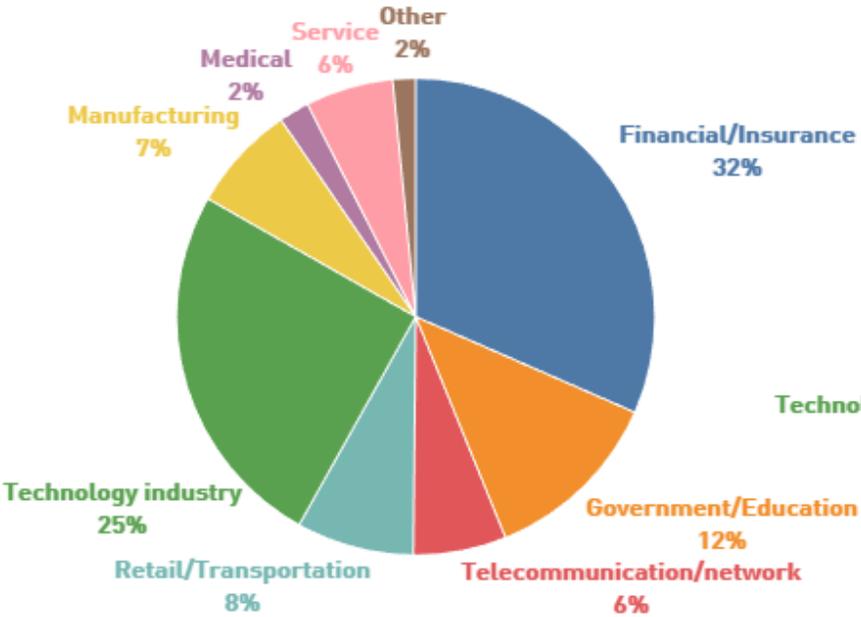
Revenue breakdown by industrial classification

Y2018

Other 2%
Service 6%
Medical 2%
Manufacturing 7%
Financial/Insurance 32%
Technology industry 25%
Retail/Transportation 8%
Telecommunication/network 6%
Government/Education 12%

Y2019

Other 1%
Service 7%
Medical 2%
Manufacturing 7%
Financial/Insurance 31%
Technology industry 24%
Retail/Transportation 10%
Telecommunication/network 5%
Government/Education 12%

Y2020

Other 1%
Service 6%
Medical 3%
Manufacturing 6%
Financial/Insurance 33%
Technology industry 25%
Retail/Transportation 11%
Telecommunication/network 4%
Government/Education 12%

Revenue breakdown by business type

Y2018

Industry 19%
VAD 47%
SI 34%

Y2019

Industry 19%
VAD 48%
SI 33%

Y2020

Industry 20%
VAD 49%
SI 31%
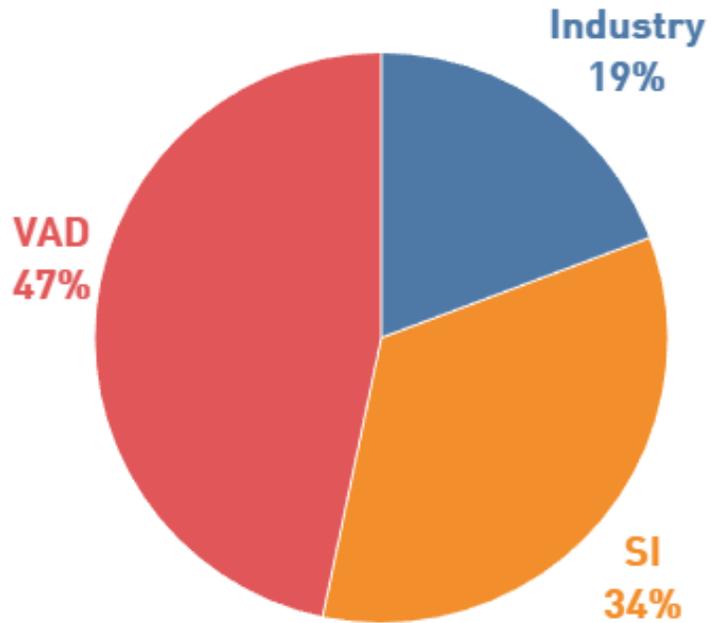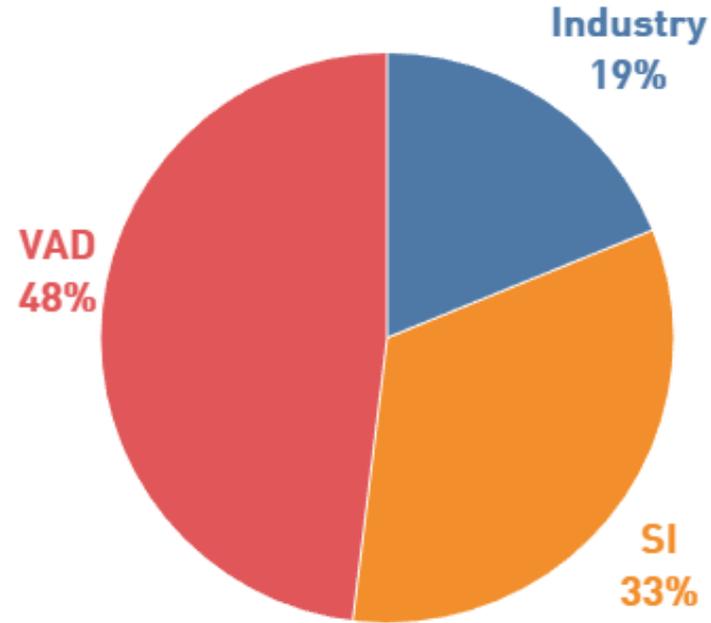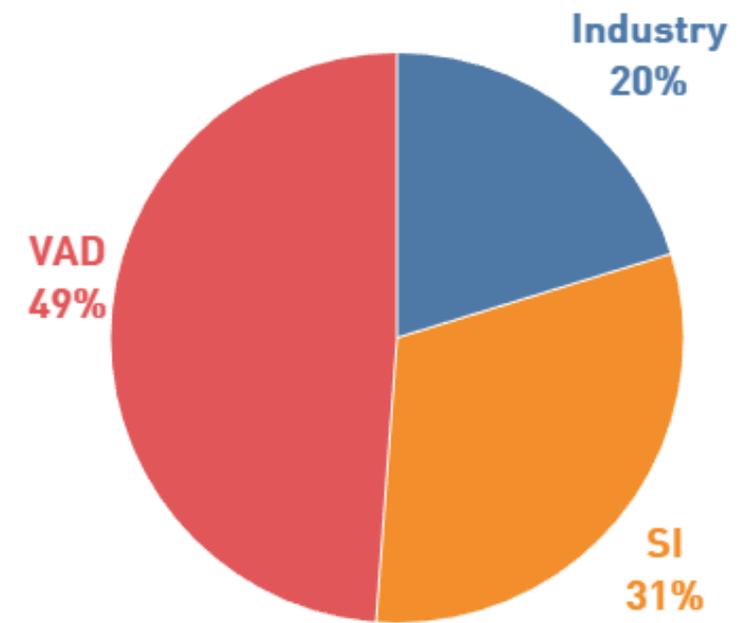
BALANCE SHEETS

UNIT：NT$ million ,%

ITEM	2020/12/31	%	2019/12/31	%
Cash and cash equivalents	3,590	16%	2,775	13%
Current financial assets at fair value through profit or loss	3,243	15%	3,342	16%
Trade and other current receivables	3,795	17%	3,774	17%
Inventories	3,166	14%	3,064	14%
Other current assets	1,832	8%	1,628	8%
Total current assets	15,626	71%	14,583	68%
Financial assets at fair value through profit or loss – non-current	1,575	7%	1,499	7%
Financial assets at fair value through other comprehensive income – non-current	683	3%	1,487	7%
Financial assets measured at amortized cost- non-current	500	2%	500	2%
Investments accounted for using equity method	656	3%	826	4%
Property, plant and equipment	2,099	10%	1,930	9%
Right-of-use assets	260	1%	320	1%
Intangible assets	131	1%	86	–
Total other non-current assets	499	2%	356	2%
Total non-current assets	6,403	29%	7,004	32%
Total assets	22,029	100%	21,587	100%
Short-term loans	797	4%	527	3%
Notes and accounts payable	3,639	16%	3,829	17%
Other current liabilities	3,407	16%	3,117	15%
Total current liabilities	7,843	36%	7,473	35%
Long-term loans	100	–	0	–
Other non-current liabilities	437	2%	631	3%
Total non-current liabilities	537	2%	631	3%
Total liabilities	8,380	38%	8,104	38%
Total share capital	2,694	12%	2,694	12%
Capital surplus	6,494	29%	6,407	30%
Retained earnings	6,018	27%	5,799	27%
Other equity	(769)	-3%	(579)	-3%
Treasury shares	(928)	-4%	(928)	-4%
Total equity attributable to owners of Corporation	13,509	61%	13,393	62%
Non-controlling interests	140	1%	89	–
Total liabilities and equity	22,029	100%	21,587	100%
Book Value Per Share	54.48		54.01	

Historical INCOME STATEMENT

UNIT：NT$ million ,%
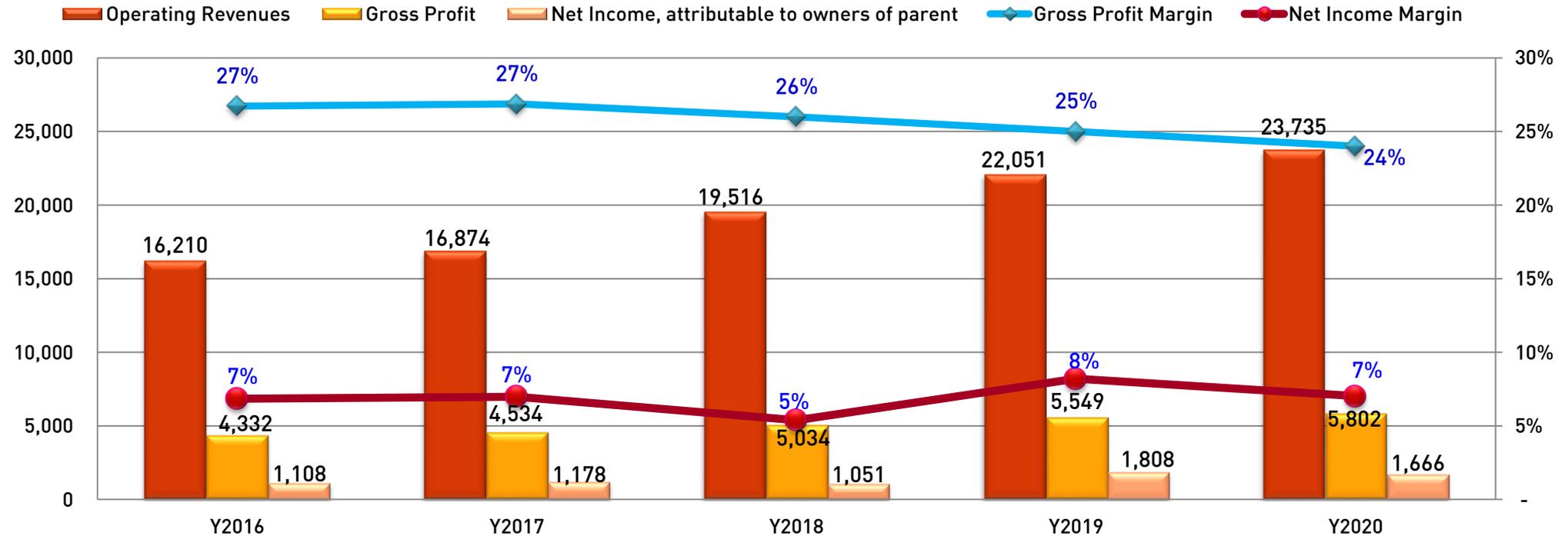
	Y2016	Y2017	Y2018	Y2019	Y2020
Operating Revenues	16,210	16,874	19,516	22,051	23,735
Gross Profit	4,332	4,534	5,034	5,549	5,802
Gross Profit Margin	27%	27%	26%	25%	24%
Operating Expenses	4,053	3,995	4,346	4,942	4,877
Operating Income	279	539	688	607	925
Operating Income Margin	2%	3%	3%	3%	4%
Non-Operating Items	967	761	553	1,596	926
Net Income, attributable to owners of parent	1,108	1,178	1,051	1,808	1,666
Net Income Margin	7%	7%	5%	8%	7%
EPS	4.50	4.79	4.27	7.31	6.72

INCOME STATEMENT

UNIT：NT$ million ,%

ITEM	4Q20	3Q20	DIFF	4Q19	DIFF	Y2020	Y2019	DIFF
Operating Revenues	6,542	5,569	973	6,013	529	23,735	22,051	1,684
Operating Costs	4,895	4,220	675	4,476	419	17,933	16,502	1,432
Gross Profit	1,647	1,349	298	1,537	110	5,802	5,549	252
Gross Profit Margin	25%	24%	1%	26%	-1%	24%	25%	-1%
Operating Expenses	1,441	1,177	264	1,590	(149)	4,877	4,942	(65)
Operating Income	206	173	33	(54)	259	925	607	318
Operating Income Margin	3%	3%	-	-1%	4%	4%	3%	1%
Non-Operating Items (Notes 1)	170	365	(195)	1,094	(924)	926	1,596	(670)
Income Before Income Tax	376	538	(162)	1,040	(664)	1,851	2,203	(353)
Income Tax Expense	29	35	(6)	238	(209)	175	392	(216)
Net Income	347	503	(156)	803	(455)	1,676	1,811	(136)
Net Income, attributable to non-controlling interests	7	(1)	8	1	7	10	3	7
Net Income, attributable to owners of parent	340	504	(164)	802	(462)	1,666	1,808	(142)
EPS	1.38	2.03	(0.65)	3.24	(1.86)	6.72	7.31	(0.59)

Notes1 : Non-Operating Items

|	4Q20	3Q20	DIFF	4Q19	DIFF	Y2020	Y2019	DIFF
Interest income and expense	(2)	(3)	1	0	(2)	(4)	10	(14)
Share of profit of associates	65	11	54	30	35	98	68	30
Gains on disposals of investments	13	154	(141)	1,554	(1,541)	262	1,720	(1,459)
Gains on financial assets at fair value through profit or loss	105	155	(50)	(109)	214	480	81	399
Dividend income	1	13	(12)	(0)	1	49	69	(20)
Foreign exchange gain(loss) , net	27	26	1	4	23	49	3	47
Impairment loss on l assets	(47)	0	(47)	(371)	324	(47)	(371)	324
Other non-operating income and expenses	8	9	(1)	(14)	22	39	16	23
Total non-operating income and expenses	170	365	(195)	1,094	(924)	926	1,596	(670)

Operating Revenues by BI

UNIT：NT$ million ,%
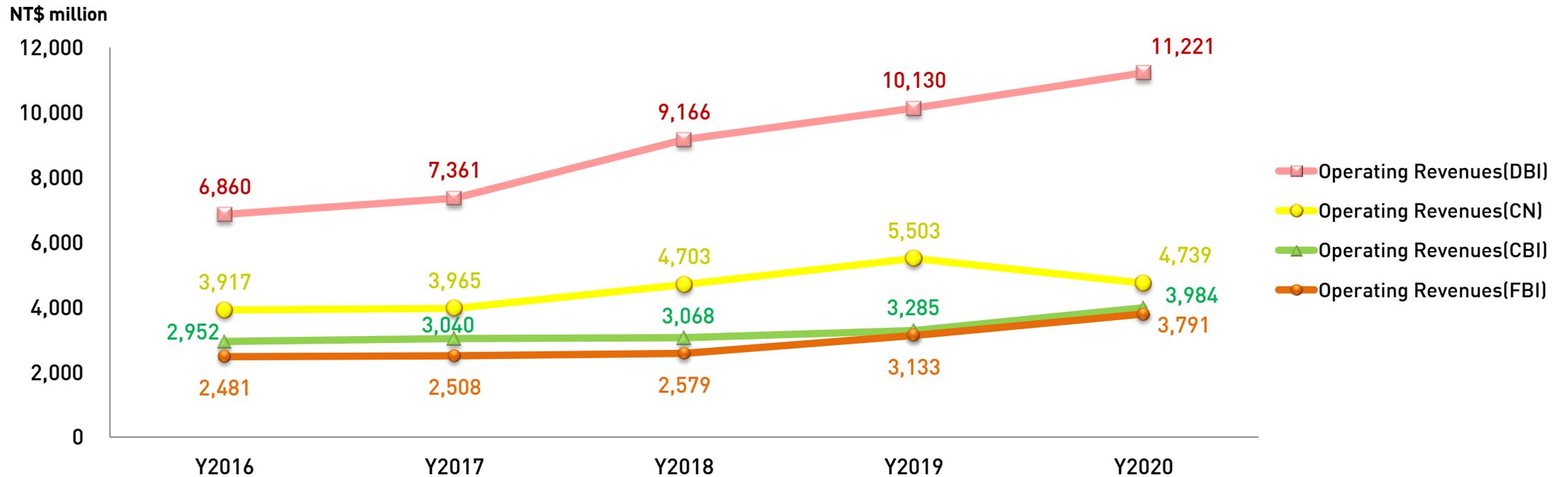
	Y2016		Y2017		Y2018		Y2019		Y2020	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues	16,210	100%	16,874	100%	19,516	100%	22,051	100%	23,735	100%
Operating Revenues(FBI)	2,481	15%	2,508	15%	2,579	13%	3,133	14%	3,791	16%
Operating Revenues(CBI)	2,952	18%	3,040	18%	3,068	16%	3,285	15%	3,984	17%
Operating Revenues(DBI)	6,860	42%	7,361	44%	9,166	47%	10,130	46%	11,221	47%
Operating Revenues(CN)	3,917	24%	3,965	24%	4,703	24%	5,503	25%	4,739	20%

Gross Profit Margin by BI
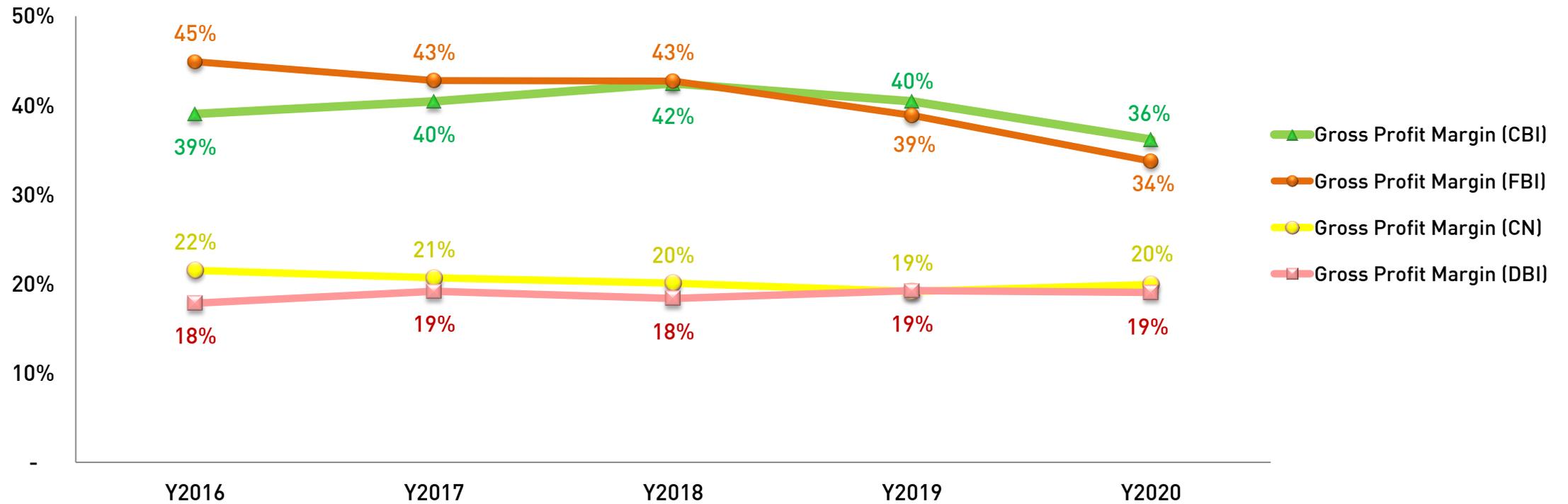
	Y2016	Y2017	Y2018	Y2019	Y2020
Gross Profit Margin	27%	27%	26%	25%	24%
Gross Profit Margin (FBI)	45%	43%	43%	39%	34%
Gross Profit Margin (CBI)	39%	40%	42%	40%	36%
Gross Profit Margin (DBI)	18%	19%	20%	19%	19%
Gross Profit Margin (CN)	22%	21%	18%	19%	20%

Consolidated Operating Revenues & Gross Profit Margin
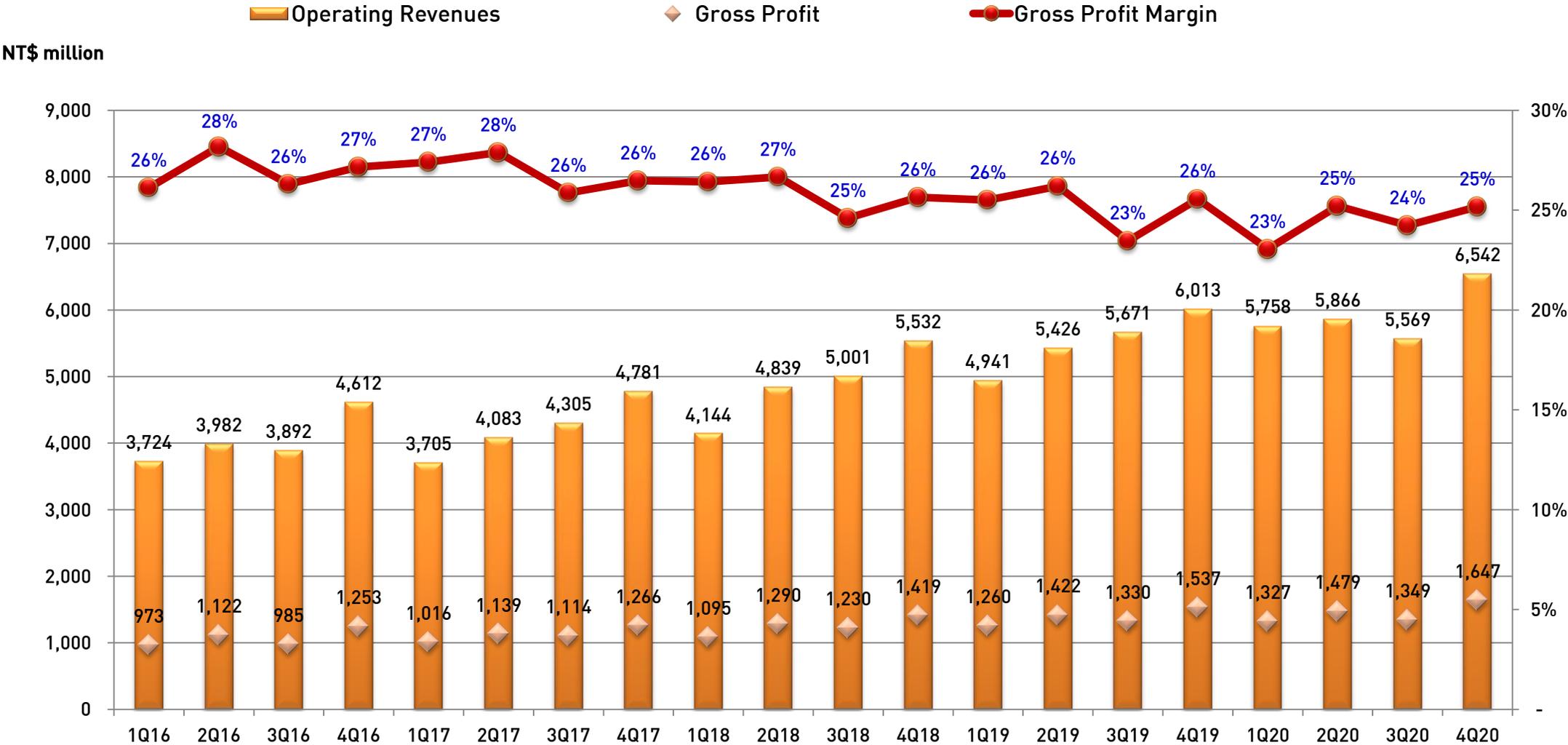
Operating Expenses By Quarter
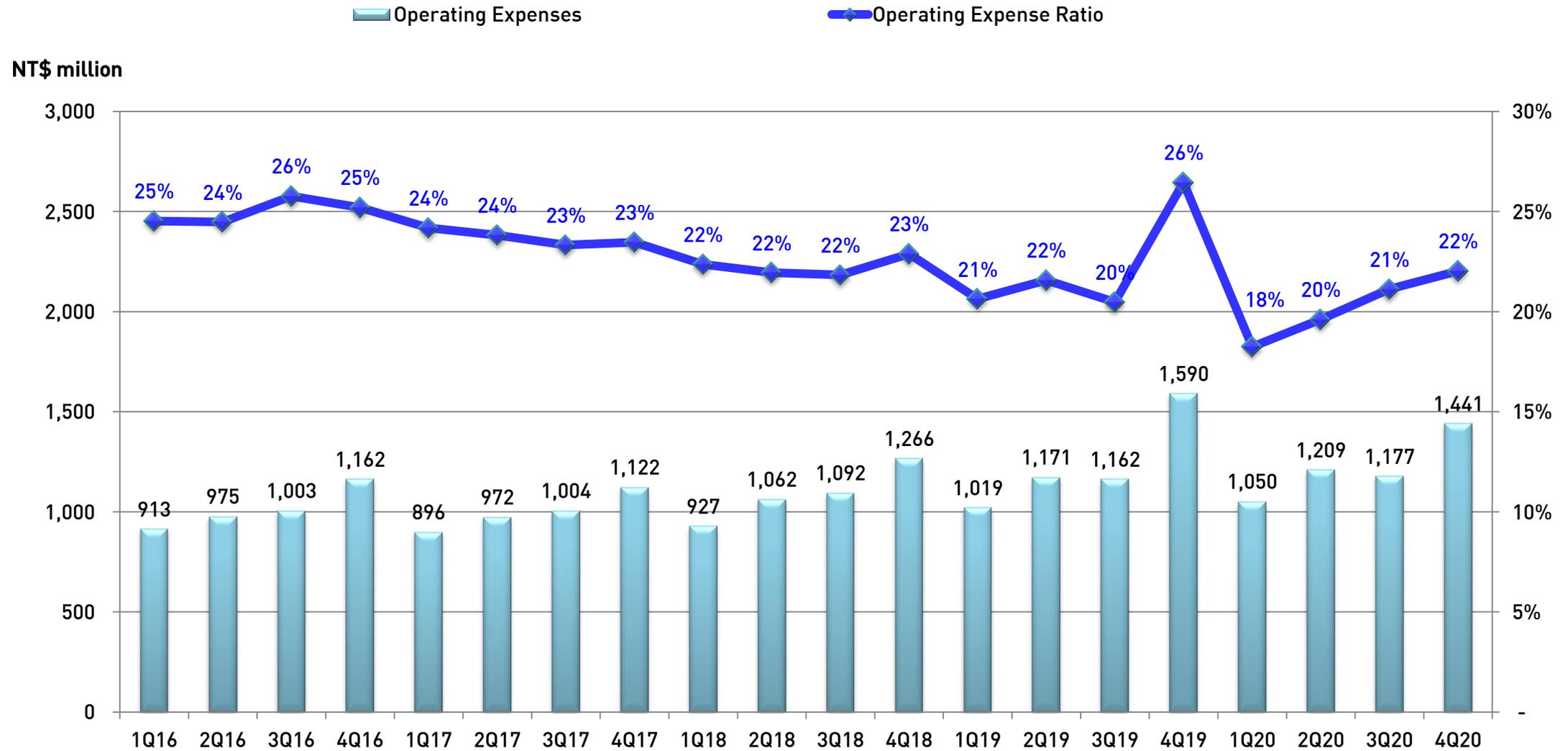
Corporate Sustainability

Awarded "the merit unit of Green Procurement and Green Consumption Promotion" in 2020 by Environmental Protection Administration, Executive Yuan, R.O.C(Taiwan)

Awarded "the merit organization of Green Procurement" in 2020 by Department of Environmental Protection, Taipei City Government

The CSR Project, Young Turing Program, won the Silver Prize in the 4th PwC CSR Impact Award

AI+ Generator Program is listed and accepted as an International Startup Incubator by Small and Medium Enterprise Administration, Minister of Economic Affairs

Encourage employees to exercise and has been recognized as "isports Enterprise" which was acknowledged by Sports Administration, MOE

Crowned the "Happiness Enterprise" in IT industry category by 1111 Job Bank

Making Good Change for Our World

2014
Started SYSTEX Elite Internship which aims to nurture university/graduate students by offering summer internships program

2015
Kicked off "Data for Social Good" project, using data to solve social issues

2017
AI+ Generator Program, supporting startups to speed up market fit and go global

Coding Seeds Camp, focusing on engineering enlightenment education for school kids

2019
Action Intelligence for Social Good Award, encouraging organizations to utilize technology to make the world better

2014-2016   2017-2020   2021

2016
Held Young Turing Program to encourage high school students devote themselves to programming and try to fix society problems

2020
Donated NTD 3 million to help NTNU / national athletes enhance their performance to the next level through software and data analysis

Gemini Data launched "Gemini Explore" to assist global epidemic investigation organizations to track and analyze the correlation of the confirmed cases
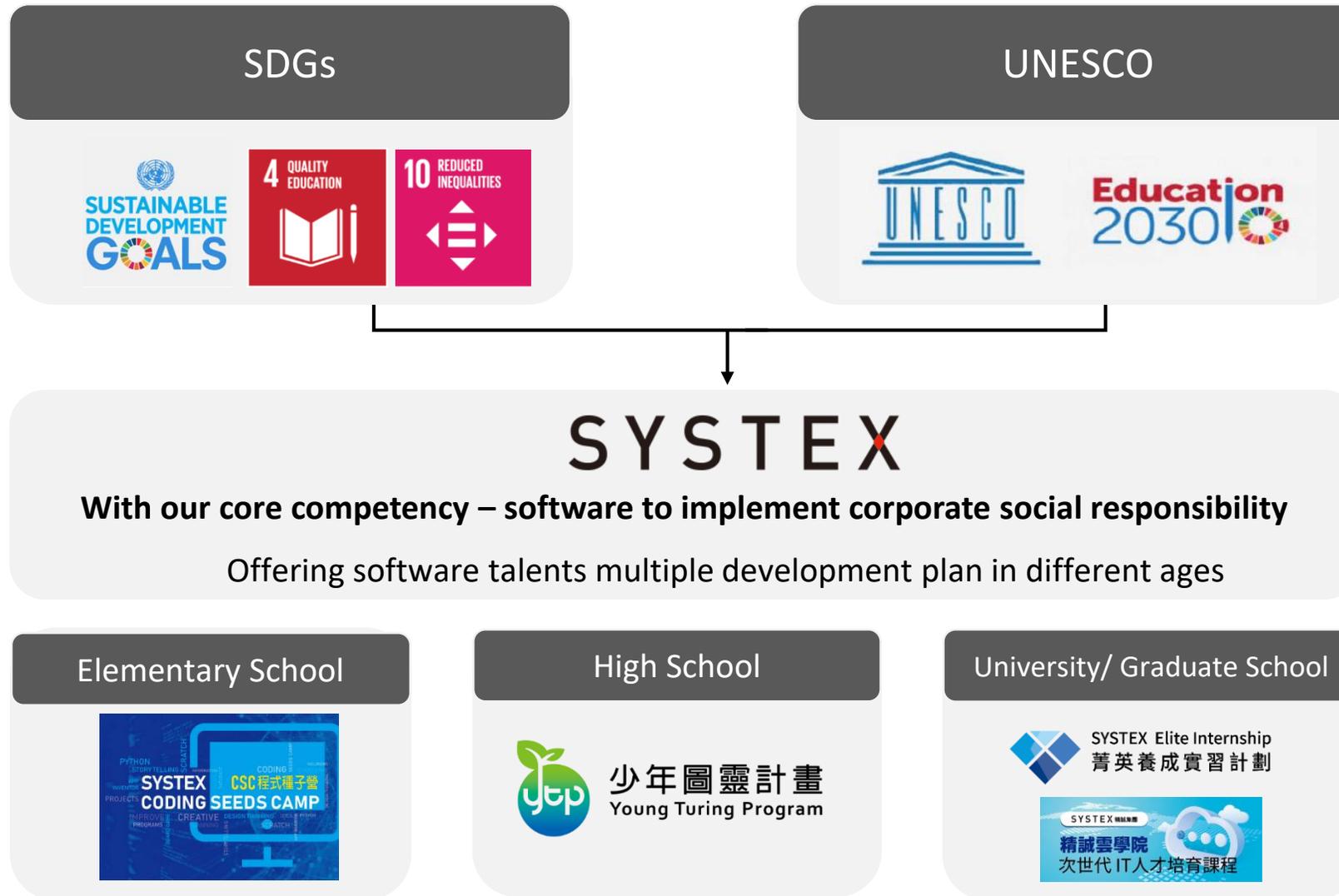
Sponsored two rural elementary and high school students to elevate their reading ability through online self-learning platform

Young Talents are the Key to Future

SDGs

UNESCO

SYSTEX

With our core competency – software to implement corporate social responsibility

Offering software talents multiple development plan in different ages

Elementary School

High School

University/ Graduate School

Cultivating Software Talents for Taiwan

YTP

ASP

CSR

SEI

NTNU Sponsor-ship

CSC

SYSTEX

Data Software **Orchestration**

Thank You