

# SYSTEMEX Profile

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SYSTEMEX

POWER OF X



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# A leading Taiwan-based IT Services Provider

- Employees: 3,500 (as of March, 2020)
- Top 100 Service Industry in Taiwan
- More than 50 branch offices in Taiwan, China and Hong Kong
- Over 30,000 Enterprise and Public Sector Clients
- Business Focus

Smart Manufacturing, Smart Finance, Smart Service

Smart Healthcare, Smart City, Smart Government

- 2019 Revenue: USD \$715 Million



# Milestone

## 1997-2000

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

## 2001-2006

### 2003 SYSTEMX IPO

#### 2005

Merged UCOM, largest IT training center in Taiwan  
Merged Ucom Information Ltd. (Shanghai) extends China  
Microsoft services

## 2007-2012

### 2007 Taiwan's two leading IT Services Corporations "SYSWARE" and "SYSTEX" was consolidated

#### 2008

Invested in Investment Media for providing in depth financial contents

#### 2010

Invested in FORMS SYNTRON for Banking business in China

#### 2011

Merged Rainbow Tech. and CK Tech. for expanding to China market

Founded SoftMobile, developing mobile APPs

Invested in SYSPOWER & SystemWeb

#### 2012

Merged NEXSYS to strengthen leading position in Taiwan payment market

## 2013-2018

#### 2015

Joint venture with China's largest smart hotel company to establish Suntex Technology (Shenzhen)

#### 2016

Invested in WeGoLuck for cross-border e-commerce enablement

Invested in FinTech payment platform startup INSTO

Invested in Gemini Data with the founder of Splunk for US and global business expansion

#### 2017

Invested in Mohist Web Technology to build an electronic voucher ecosystem

## 2019

Crowned the "Happy Enterprise" in IT industry category by  
Job Bank

Invested in NEWEBINFO to integrate IT services ecosystem  
Invested in FUCO to expand and secure market share of bill  
processing and printing

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

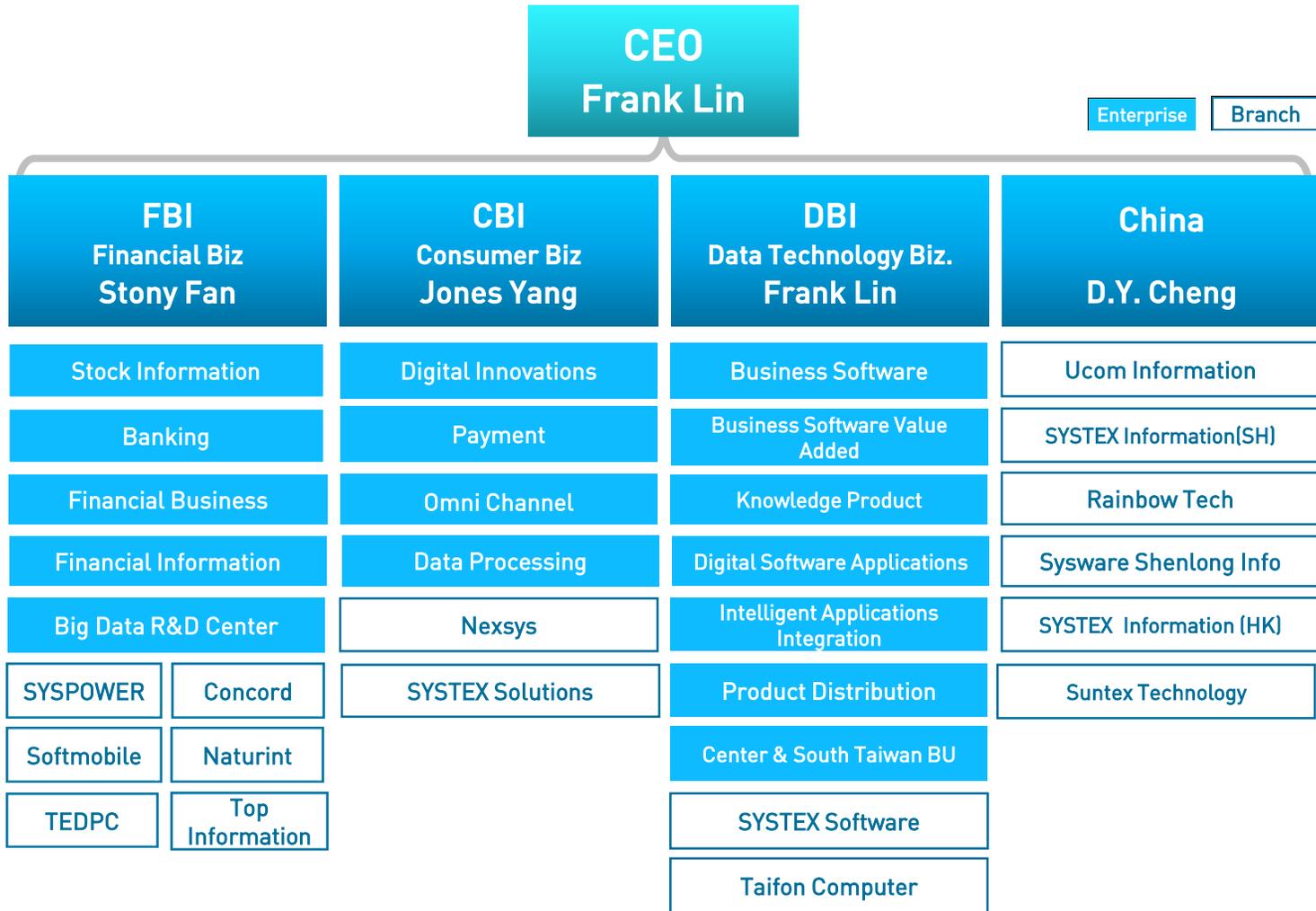
## 2019

# Awards & Recognitions

- Crowned with 4th Taiwan Mittelstand Award by **Industrial Development Bureau, Ministry of Economic Affairs, Taiwan**
- Secured the **No.1** spot in the **Taiwan's software industry** for **over 10 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



# 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*

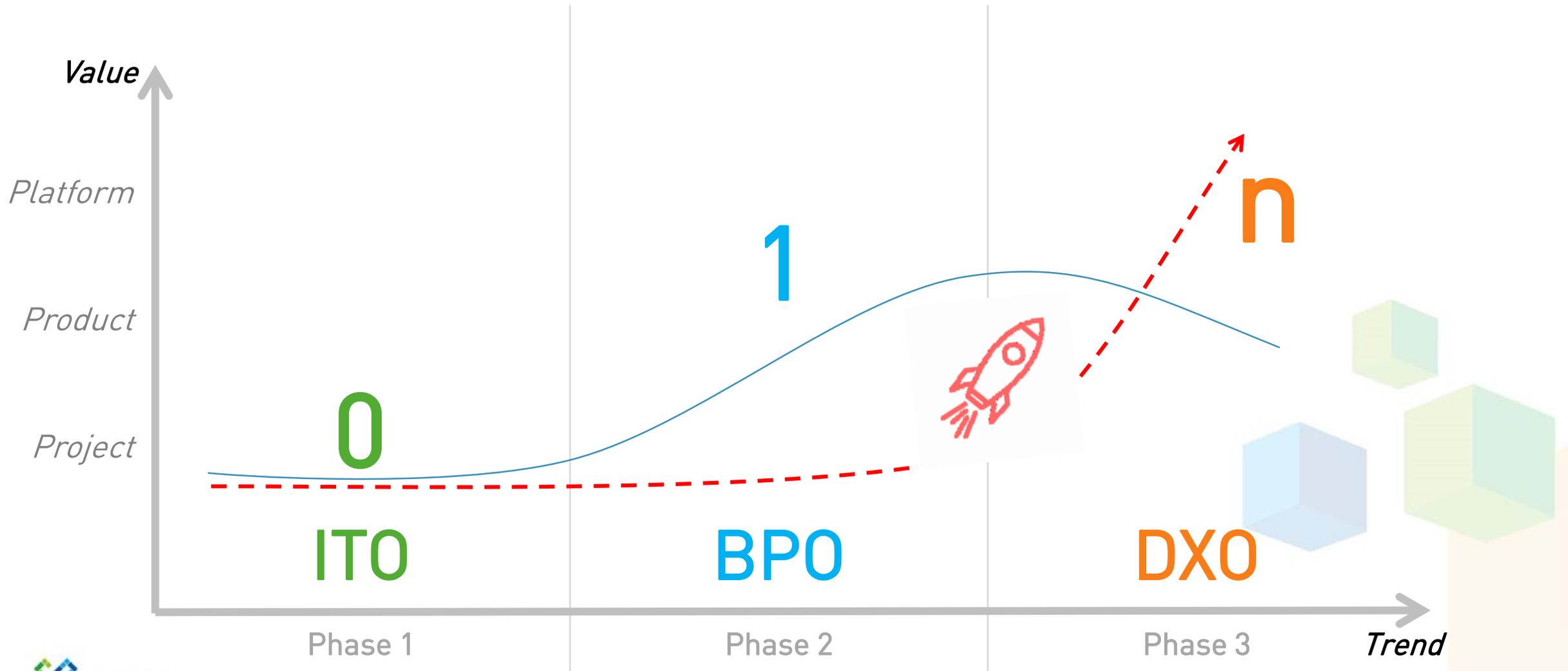
## China

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*

# Digital Transformation Phases & Biz Model

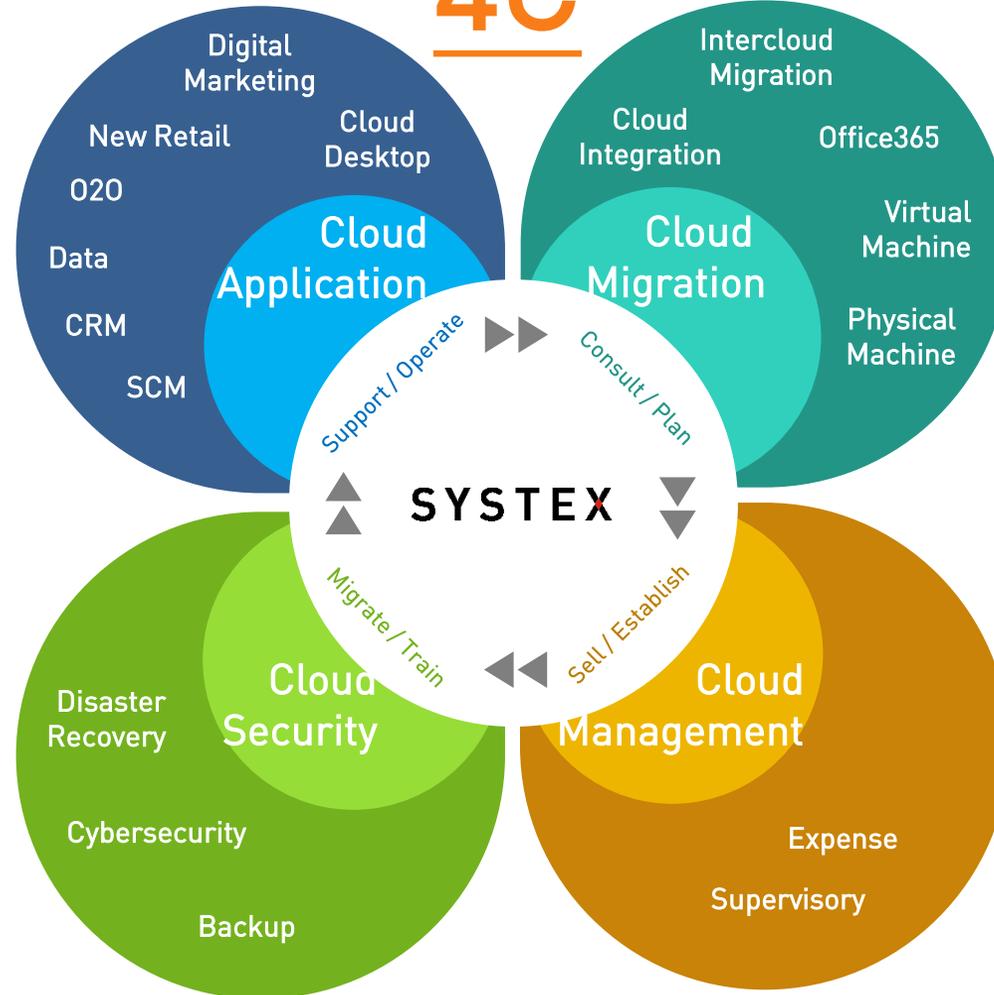


# Core Competence : 5A@4C.3D

5A

AP  
APP  
API  
Appliance  
Algorithm

4C



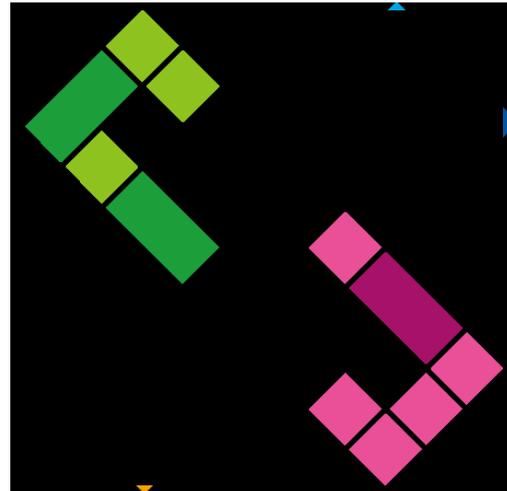
3D

Data Infrastructure  
Data Integration  
Data Intelligence

# From SI to Xi, Ecosystem Integration

## Software

- *Experience*
- *Exploration*
- *Exponential*
- *Expansible*



5A@4C.3D

## Service

- 👍 *Situation Applications*
- 👍 *Experience Design*
- 👍 *Scenario Interaction*
- 👍 *Data Integration*

# AI Empowered Digital Transformation: 5 Key Application Aspects

## Smart

### Manufacturing

*Cross Border / Hybrid Cloud*

- ✓ AI-AOI
- ✓ AI-Driven IT/OT/IoT security
- ✓ Quality-Control & Data Analytics Platform
- ✓ Product Quality Prediction and Optimization
- ✓ 3D War Room
- ✓ AI-powered Warehouse and Material Management
- ✓ Global Distributor Inquiry System

## Smart

### Service

*Omni Channel / O2O*

- ✓ Self-Service Ordering/ Vending Machine
- ✓ Visitor Flow Analysis
- ✓ AI Robot/ Image Recognition
- ✓ Stored Value Card
- ✓ O2O Coupon
- ✓ e-Commerce
- ✓ Electronic Data Capture
- ✓ Omni-Payments

## Smart

### Finance

*FinTech Ecosystem*

- ✓ Financial Services CRM System
- ✓ Robo-advisor
- ✓ Service Robots
- ✓ AI-based Customer Service
- ✓ Mobile Payment
- ✓ Digital Insurance
- ✓ Anti-Money Laundering
- ✓ AI-Based Fraud Detection

## Smart

### Government

*Convenience Services /  
Smart City*

- ✓ Smart Life
- ✓ Smart Push Marketing for Specific Shops
- ✓ Smart School
- ✓ Integration of Virtual and Real Citizen Card
- ✓ Blockchain Trading Platform
- ✓ AI Facial Recognition Solution
- ✓ Infectious Disease Reporting System

## Smart

### Healthcare

*Comprehensive Medical Care  
Solution*

- ✓ NLP Chatbots for Healthcare
- ✓ AI-powered Cloud Service for Healthcare
- ✓ Sarcopenia Assessment Tools
- ✓ HIS/PACS
- ✓ Cloud Examination System
- ✓ OSCE Online Examination System



# Representative Clients by Industry

## Financial



## Manufacturing



## Service



## Government



## Medical



## Education

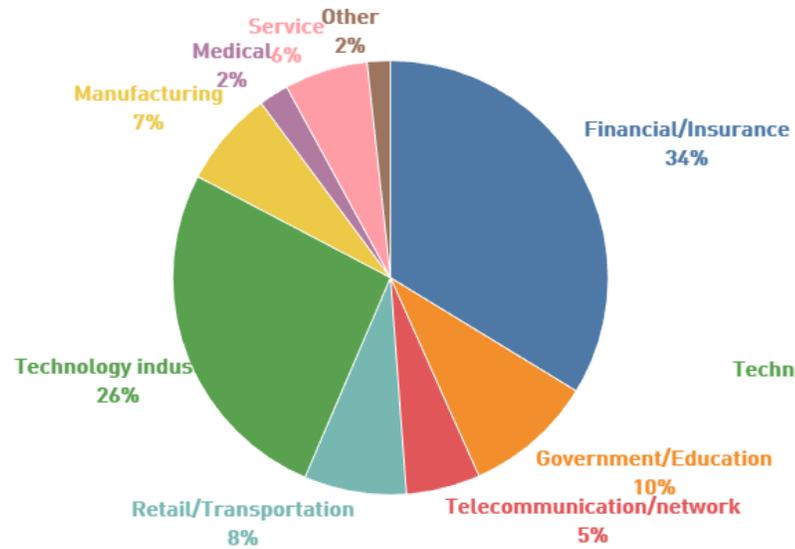


## Utilities

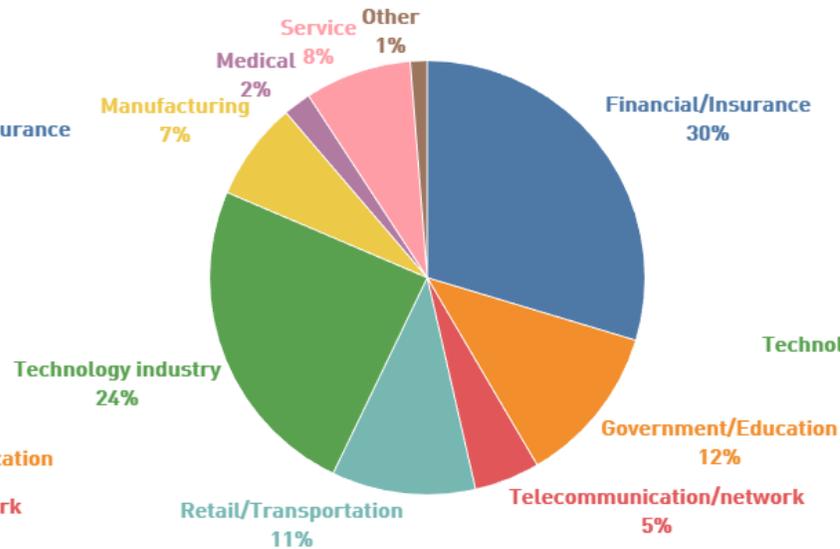


# Revenue breakdown by industrial classification

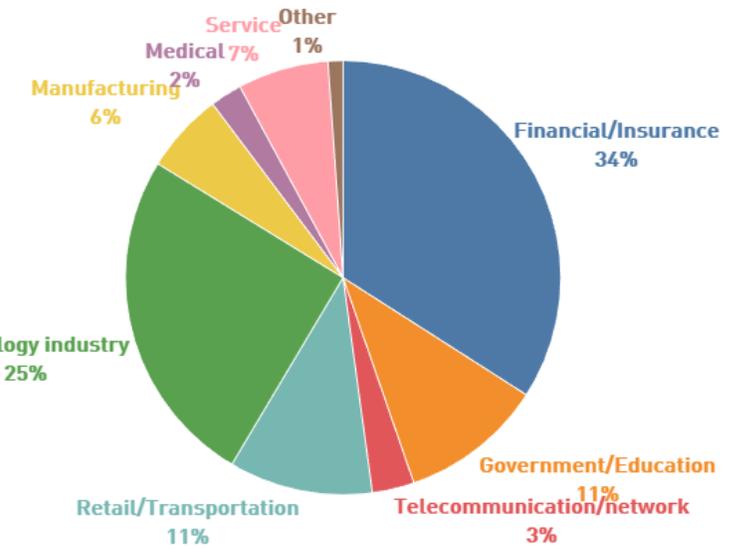
2018 1H



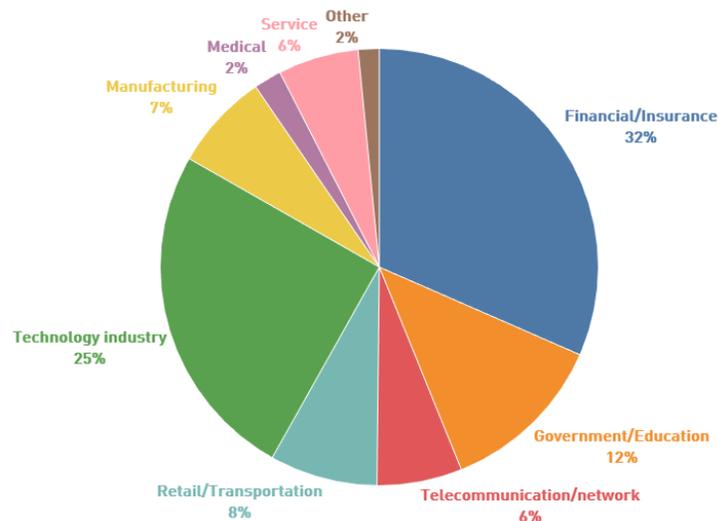
2019 1H



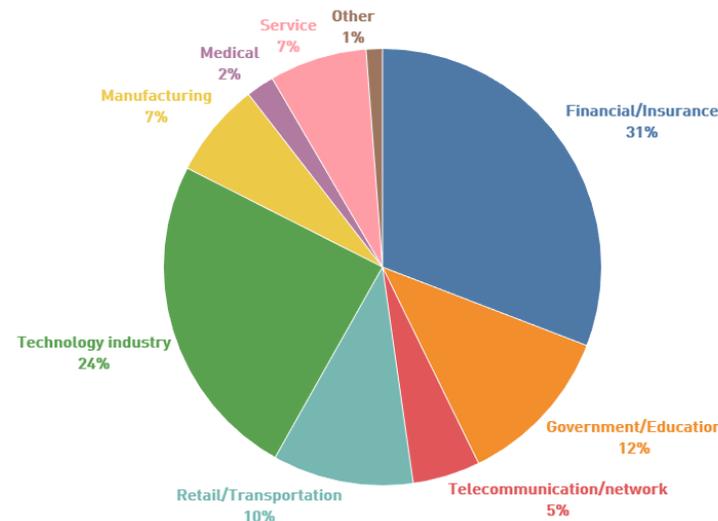
2020 1H



2018Y

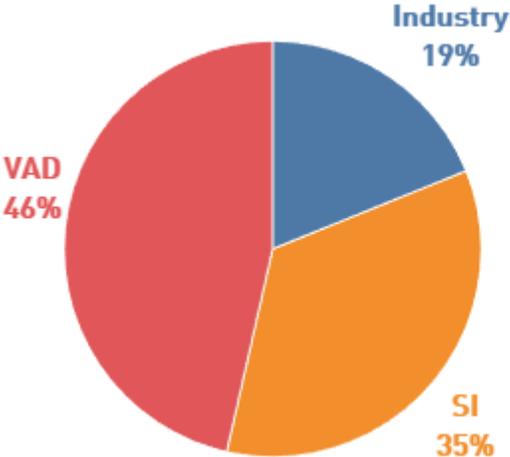


2019Y

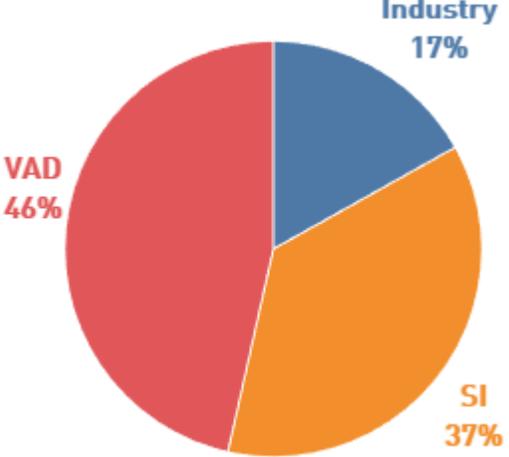


# Revenue breakdown by business type

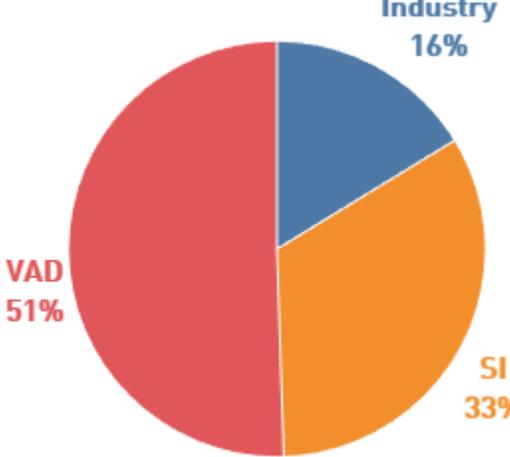
2018 1H



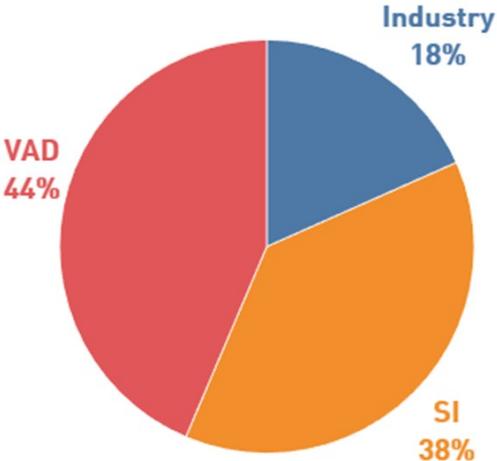
2019 1H



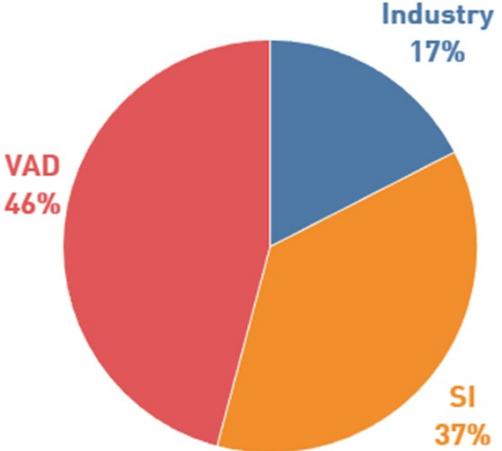
2020 1H



2018Y



2019Y



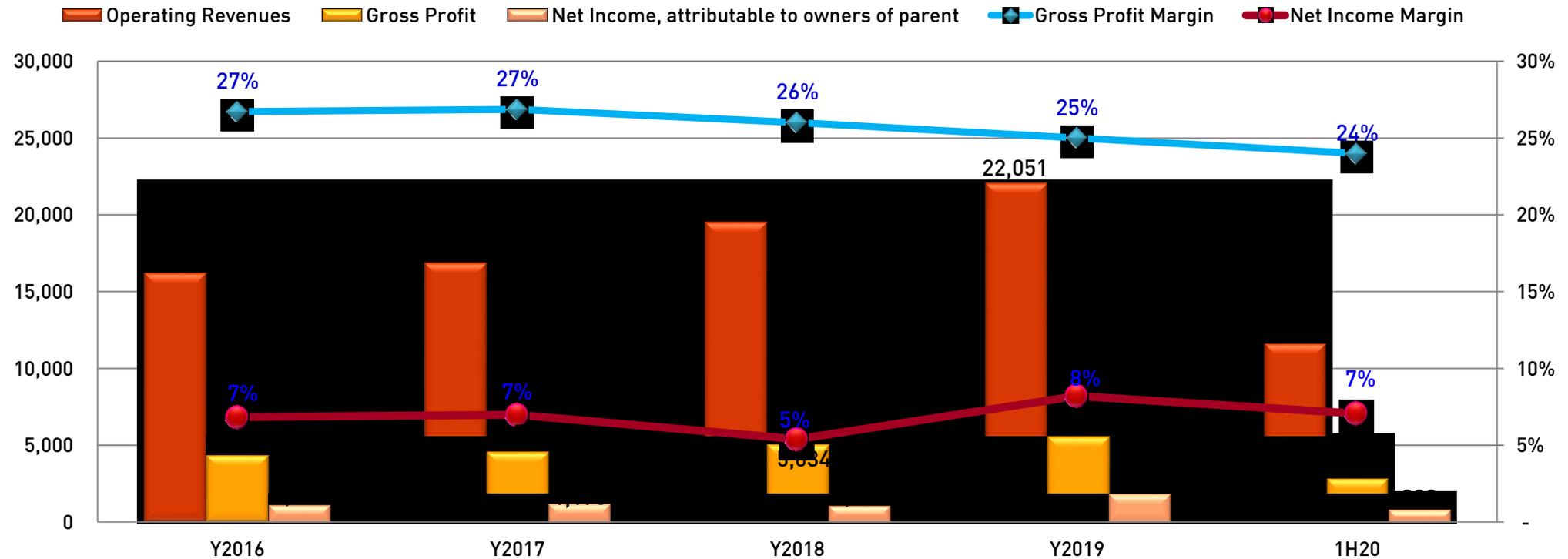
# BALANCE SHEETS

UNIT : NT\$ million ,%

ITEM	2020/6/30	%	2019/12/31	%	2019/6/30	%
Cash and cash equivalents	2,964	14%	2,775	13%	2,723	13%
Current financial assets at fair value through profit or loss	3,289	15%	3,342	16%	2,818	14%
Financial assets measured at amortized cost-current	44	-	0	-	16	-
Trade and other current receivables	3,862	17%	3,774	17%	4,060	19%
Inventories	3,165	15%	3,064	14%	3,280	16%
Other current assets	1,950	9%	1,628	8%	1,495	7%
<b>Total current assets</b>	<b>15,274</b>	<b>70%</b>	<b>14,583</b>	<b>68%</b>	<b>14,392</b>	<b>69%</b>
Financial assets at fair value through profit or loss - non-current	1,512	7%	1,499	7%	1,675	8%
Financial assets at fair value through other comprehensive income - non-current	961	4%	1,487	7%	218	1%
Financial assets measured at amortized cost- non-current	500	2%	500	2%	500	2%
Investments accounted for using equity method	822	4%	826	4%	1,208	6%
Property, plant and equipment	2,071	9%	1,930	9%	1,948	9%
Right-of-use assets	294	1%	320	1%	354	2%
Intangible assets	99	1%	86	-	96	1%
Total other non-current assets	401	2%	356	2%	373	2%
<b>Total non-current assets</b>	<b>6,660</b>	<b>30%</b>	<b>7,004</b>	<b>32%</b>	<b>6,372</b>	<b>31%</b>
<b>Total assets</b>	<b>21,934</b>	<b>100%</b>	<b>21,587</b>	<b>100%</b>	<b>20,764</b>	<b>100%</b>
Short-term loans	603	3%	527	3%	786	4%
Notes and accounts payable	3,782	17%	3,829	17%	3,136	15%
Other current liabilities	4,101	18%	3,117	15%	3,653	18%
<b>Total current liabilities</b>	<b>8,486</b>	<b>38%</b>	<b>7,473</b>	<b>35%</b>	<b>7,575</b>	<b>37%</b>
Long-term loans	95	1%	0	-	0	-
Other non-current liabilities	502	2%	631	3%	488	2%
<b>Total non-current liabilities</b>	<b>597</b>	<b>3%</b>	<b>631</b>	<b>3%</b>	<b>488</b>	<b>2%</b>
<b>Total liabilities</b>	<b>9,083</b>	<b>41%</b>	<b>8,104</b>	<b>38%</b>	<b>8,063</b>	<b>39%</b>
Total share capital	2,694	13%	2,694	12%	2,694	13%
Capital surplus	6,407	29%	6,407	30%	6,444	31%
Retained earnings	5,219	24%	5,799	27%	4,778	23%
Other equity	(605)	-3%	(579)	-3%	(325)	-2%
Treasury shares	(928)	-4%	(928)	-4%	(928)	-4%
<b>Total equity attributable to owners of Corporation</b>	<b>12,787</b>	<b>59%</b>	<b>13,393</b>	<b>62%</b>	<b>12,663</b>	<b>61%</b>
Non-controlling interests	64	-	89	-	38	-
<b>Total liabilities and equity</b>	<b>21,934</b>	<b>100%</b>	<b>21,586</b>	<b>100%</b>	<b>20,764</b>	<b>100%</b>
Book Value Per Share	51.56		54.01		51.06	

# Historical INCOME STATEMENT

UNIT : NT\$ million ,%



	Y2016	Y2017	Y2018	Y2019	1H20
Operating Revenues	16,210	16,874	19,516	22,051	11,624
Gross Profit	4,332	4,534	5,034	5,549	2,806
Gross Profit Margin	27%	27%	26%	25%	24%
Operating Expenses	4,053	3,995	4,346	4,942	2,259
Operating Income	279	539	688	607	547
Operating Income Margin	2%	3%	3%	3%	5%
Non-Operating Items	967	761	553	1,596	390
Net Income, attributable to owners of parent	1,108	1,178	1,051	1,808	822
Net Income Margin	7%	7%	5%	8%	7%
EPS	4.50	4.79	4.27	7.31	3.31

# INCOME STATEMENT

UNIT : NT\$ million ,%

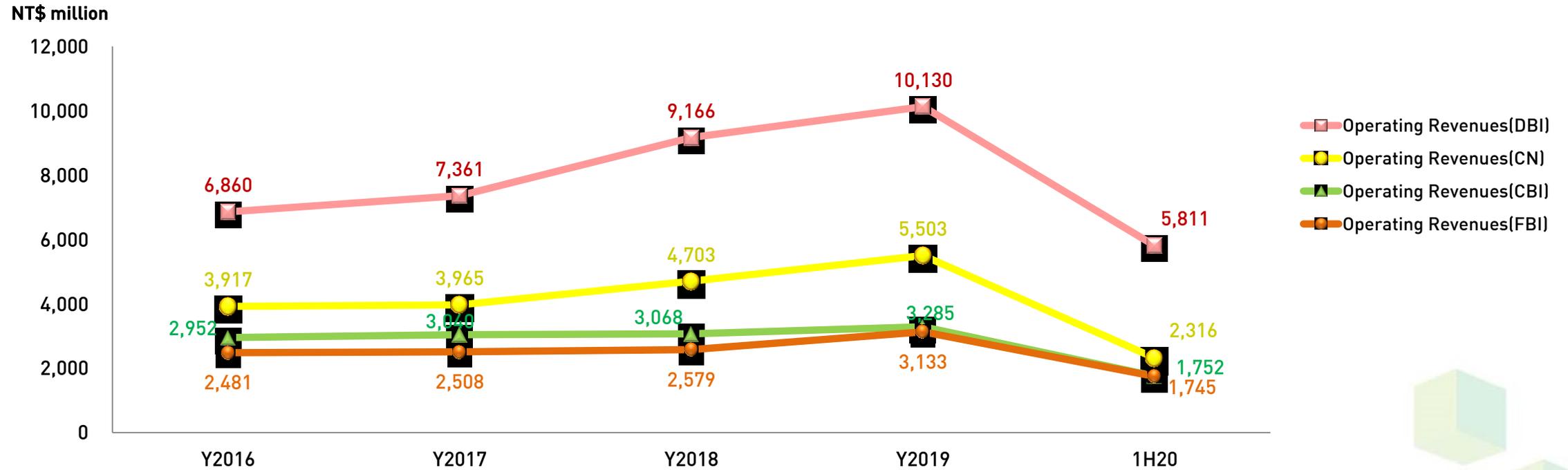
ITEM	2Q20	1Q20	DIFF	2Q19	DIFF	1H20	1H19	DIFF
Operating Revenues	5,866	5,758	108	5,426	440	11,624	10,367	1,257
Operating Costs	4,387	4,431	(44)	4,004	383	8,818	7,684	1,134
Gross Profit	1,479	1,327	152	1,422	57	2,806	2,682	124
Gross Profit Margin	25%	23%	2%	26%	-1%	24%	26%	-2%
Operating Expenses	1,209	1,050	159	1,171	38	2,259	2,190	69
Operating Income	270	277	(7)	251	19	547	492	55
Operating Income Margin	5%	5%	-	5%	-	5%	5%	-
Non-Operating Items (Notes 1 )	560	(170)	730	161	399	390	344	46
Income Before Income Tax	830	107	723	412	418	937	836	101
Income Tax Expense	64	48	16	74	(10)	111	114	(3)
Net Income	766	59	707	338	428	825	722	103
Net Income, attributable to non-controlling interests	4	(1)	5	1	3	4	1	3
Net Income, attributable to owners of parent	762	60	702	337	425	822	721	100
EPS	3.07	0.24	2.83	1.36	1.71	3.31	2.92	0.39

## Notes1 : Non-Operating Items

	2Q20	1Q20	DIFF	2Q19	DIFF	1H20	1H19	DIFF
Interest income and expense	0	1	(1)	5	(5)	1	10	(10)
Share of profit of associates	23	(1)	24	13	10	22	21	2
Gains on disposals of investments	90	4	86	72	18	94	51	43
Gains on financial assets at fair value through profit or loss	399	(180)	579	5	394	220	170	50
Dividend income	34	0	34	57	(23)	34	63	(28)
Foreign exchange gain(loss) , net	2	(6)	8	(4)	6	(4)	5	(9)
Other non-operating income and expenses	12	12	0	13	(1)	23	24	(2)
Total non-operating income and expenses	560	(170)	730	161	399	390	344	46

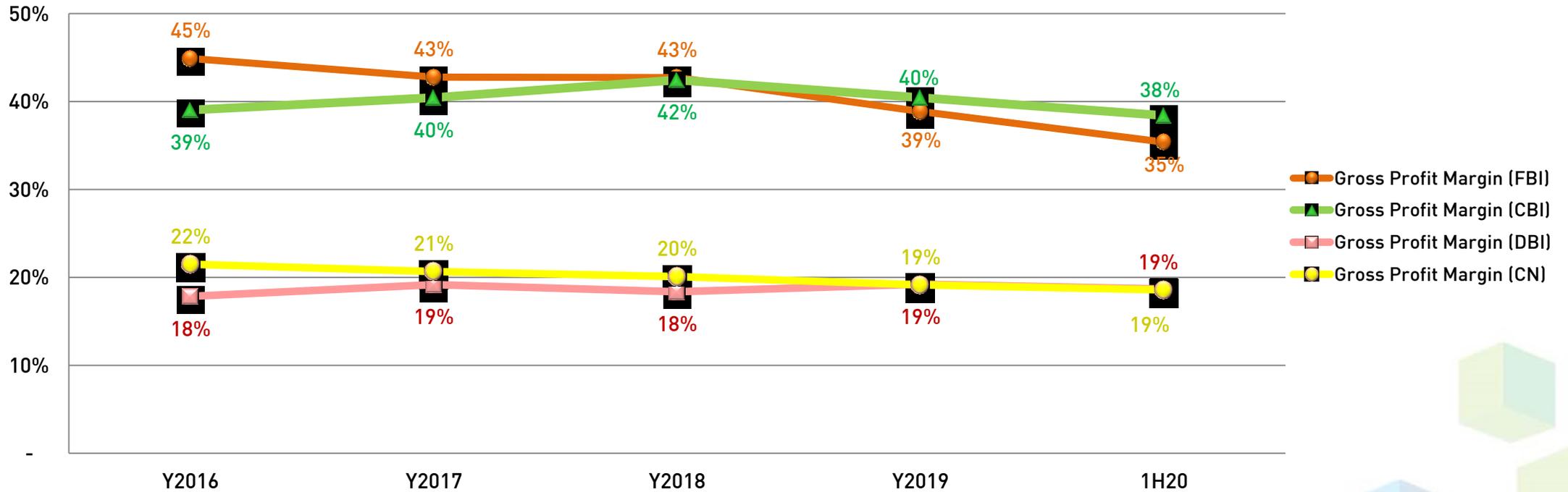
# Operating Revenues by BI

UNIT : NT\$ million ,%



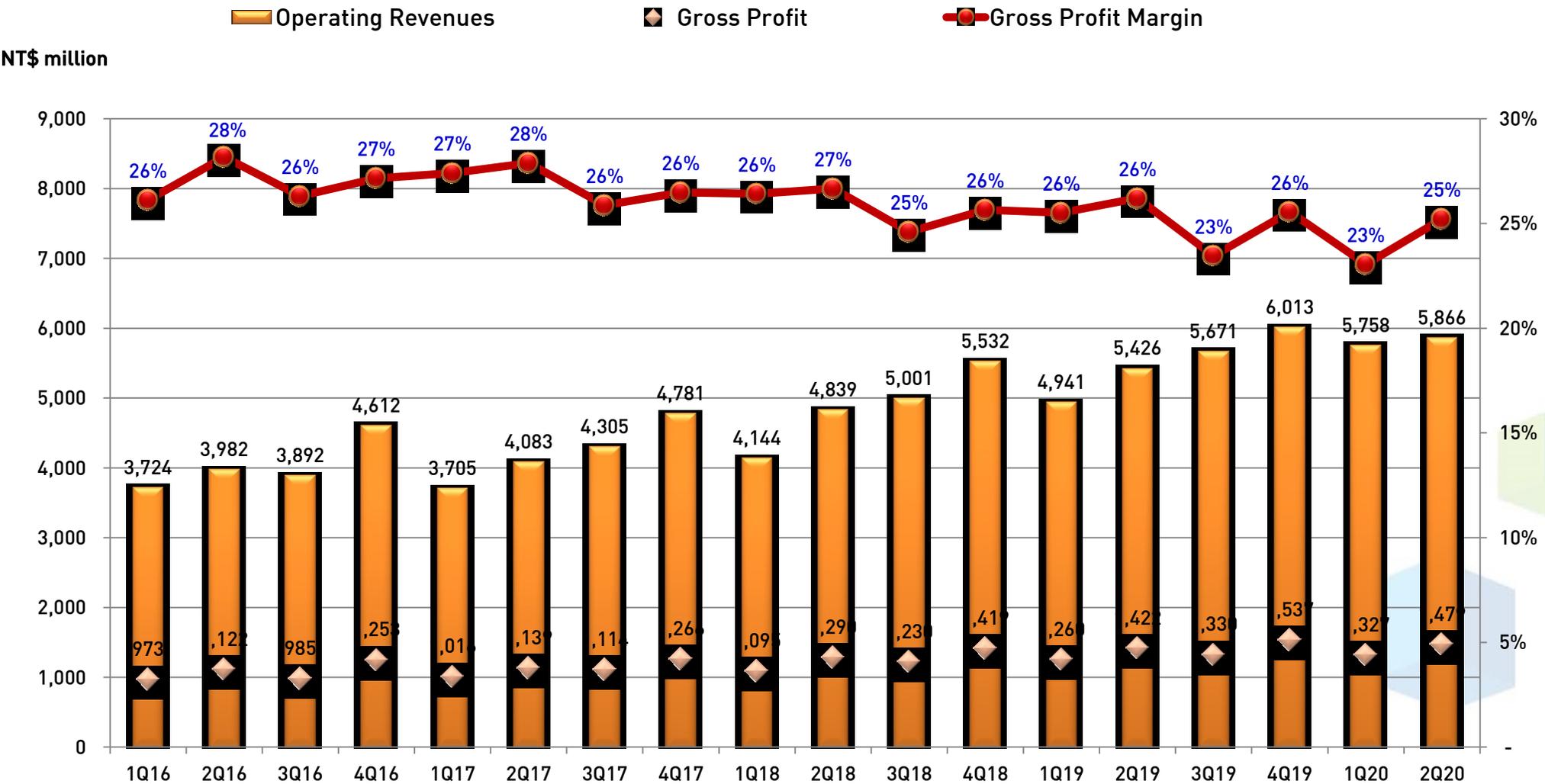
	Y2016		Y2017		Y2018		Y2019		1H20	
	Amount	%								
Operating Revenues	16,210	100%	16,874	100%	19,516	100%	22,051	100%	11,624	100%
Operating Revenues(FBI)	2,481	15%	2,508	15%	2,579	13%	3,133	14%	1,745	15%
Operating Revenues(CBI)	2,952	18%	3,040	18%	3,068	16%	3,285	15%	1,752	15%
Operating Revenues(DBI)	6,860	42%	7,361	44%	9,166	47%	10,130	46%	5,811	50%
Operating Revenues(CN)	3,917	24%	3,965	24%	4,703	24%	5,503	25%	2,316	20%

# Gross Profit Margin by BI

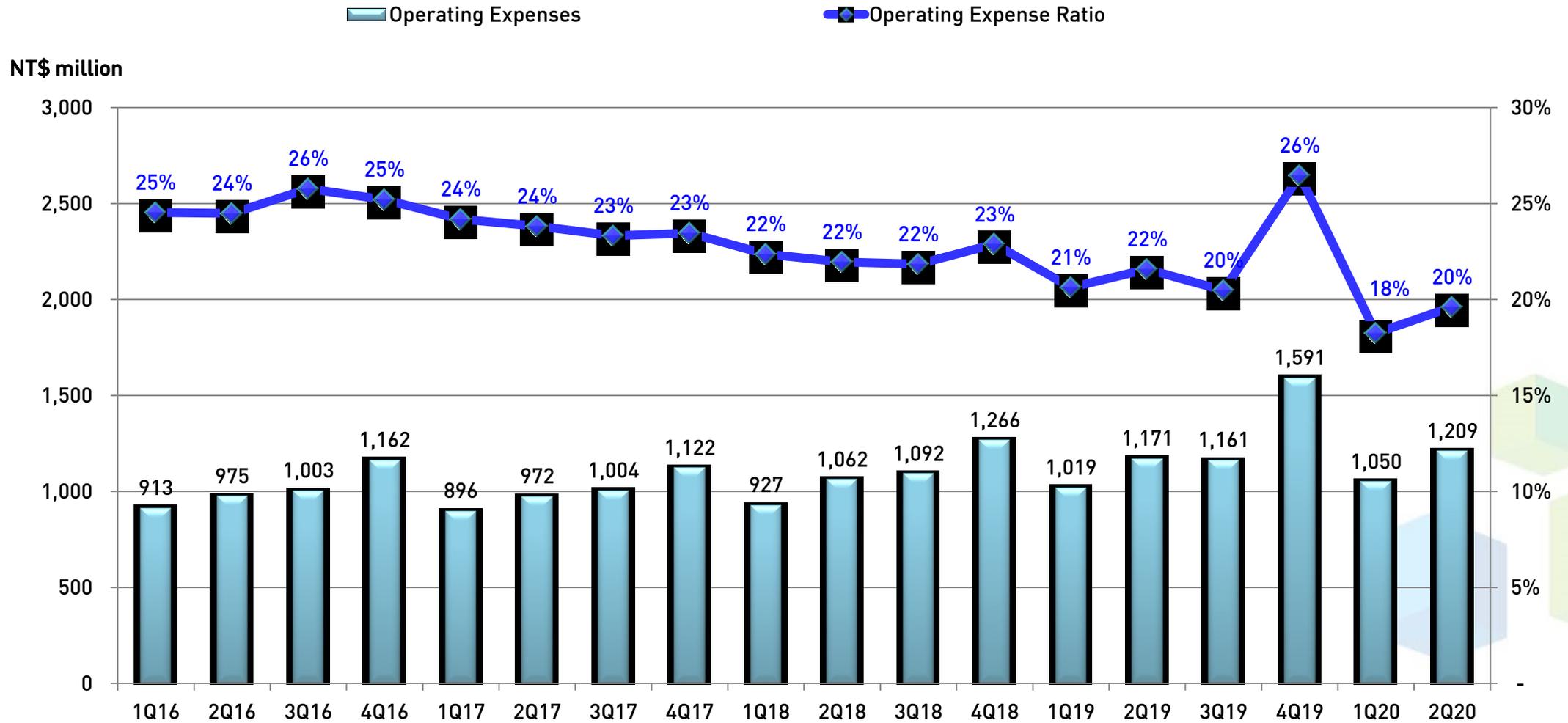


	Y2016	Y2017	Y2018	Y2019	1H20
Gross Profit Margin	27%	27%	26%	25%	24%
Gross Profit Margin (FBI)	45%	43%	43%	39%	35%
Gross Profit Margin (CBI)	39%	40%	42%	40%	38%
Gross Profit Margin (DBI)	18%	19%	20%	19%	19%
Gross Profit Margin (CN)	22%	21%	18%	19%	19%

# Consolidated Operating Revenues & Gross Profit Margin



# Operating Expenses By Quarter





# SYSTEMEX

Thank You