

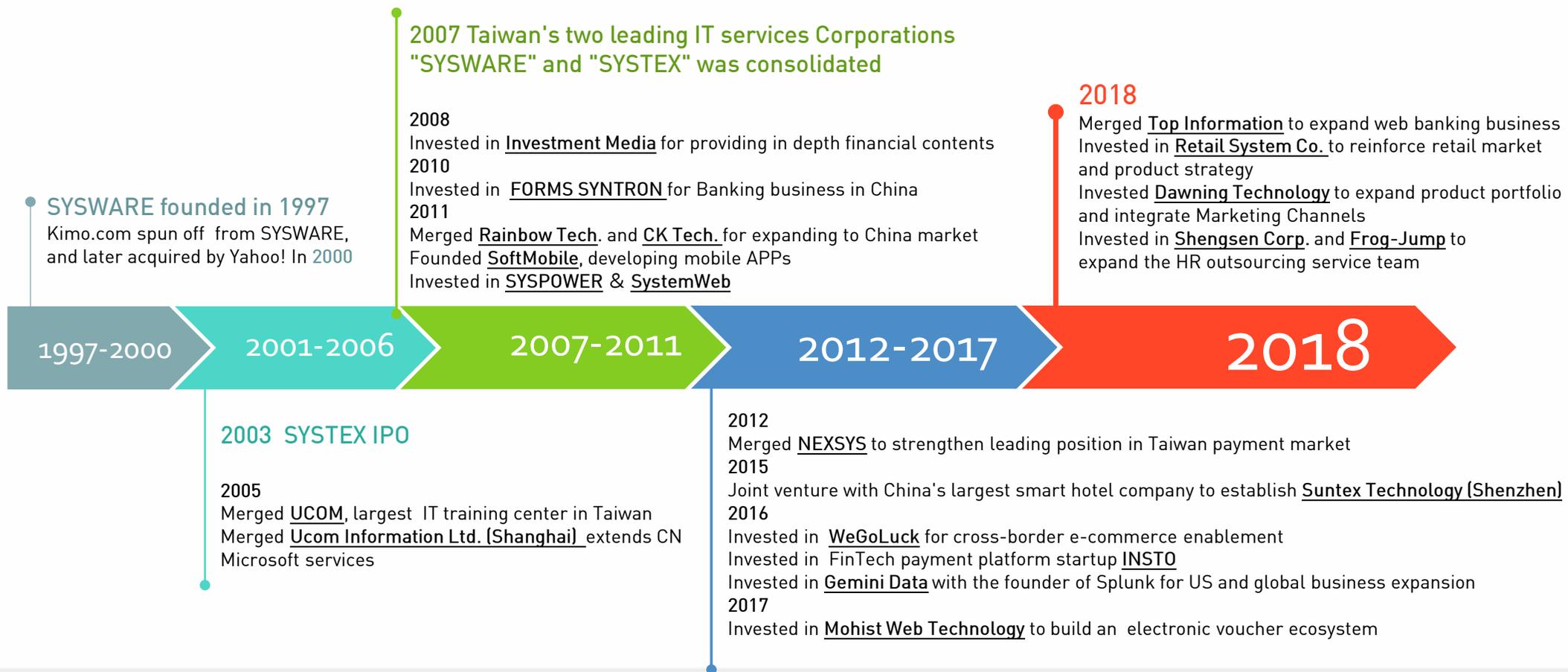
SYSTEX Profile

*CFO & COMPANY SPOKESMAN
LARRY CHUNG
2019.04.10*

SYSTEX

Enabling **DX** with AI

Milestone

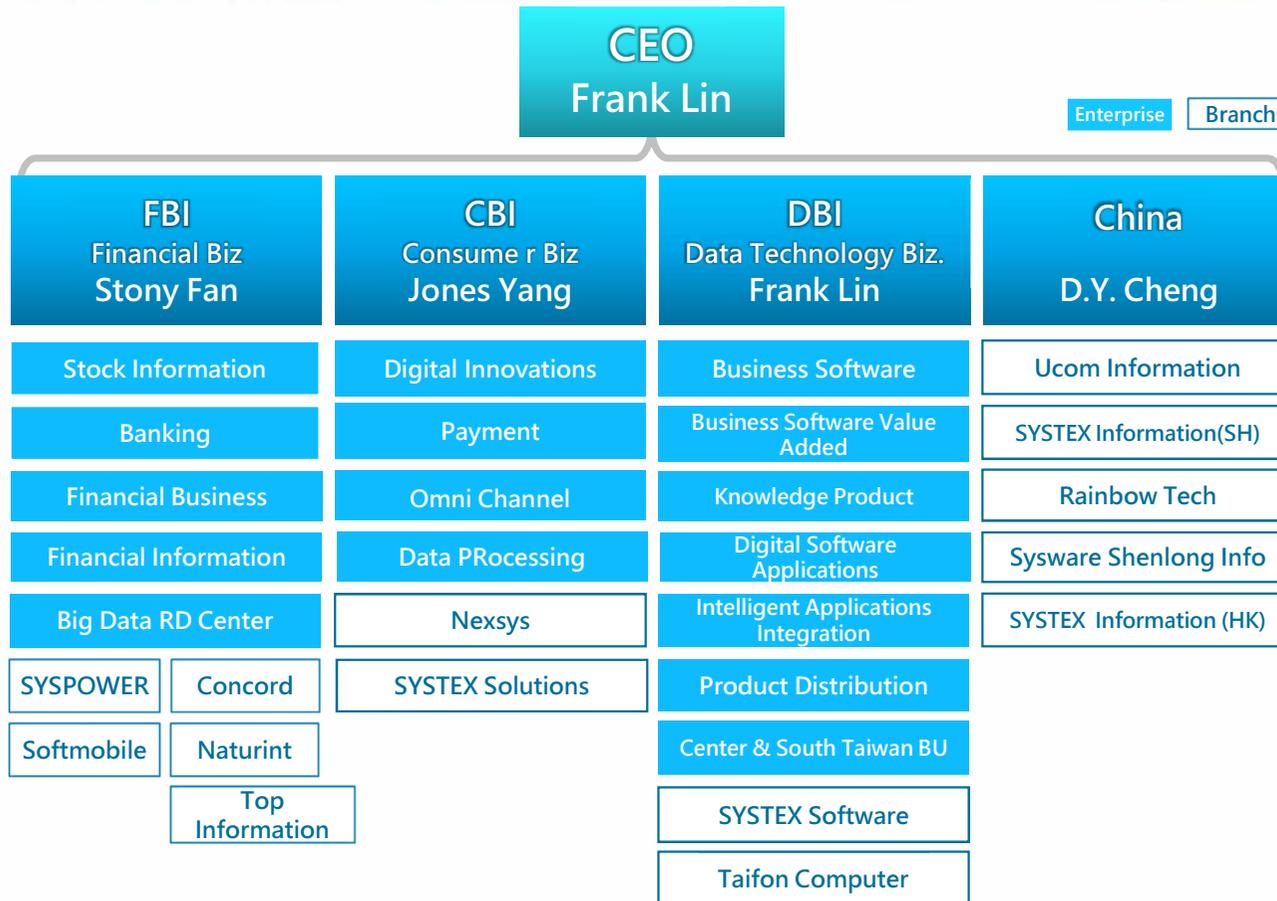


Award & Recognition

- 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

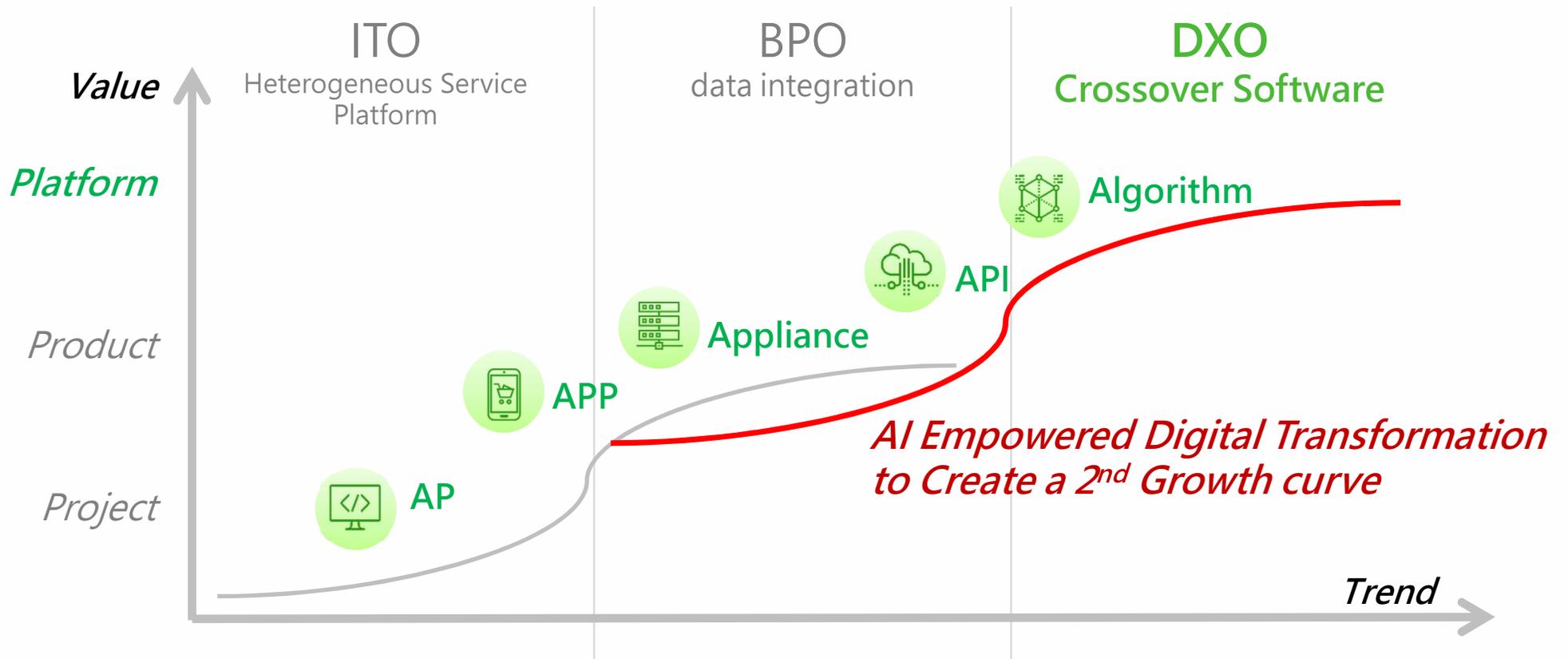


✓ Industry Oriented
Smart Operation, Smart Finance, Smart Retail, Smart Medicare, Government

✓ Cross Border / Industry
IT, OT, DT → AIoT, Ai4iA, Ai@iA

- TSE: 6214
- Employee: 3,000
- 2018 Revenue : USD 630 M

Invest & Develop 5A Abilities



AI Empowered Digital Transformation: Diverse Application 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

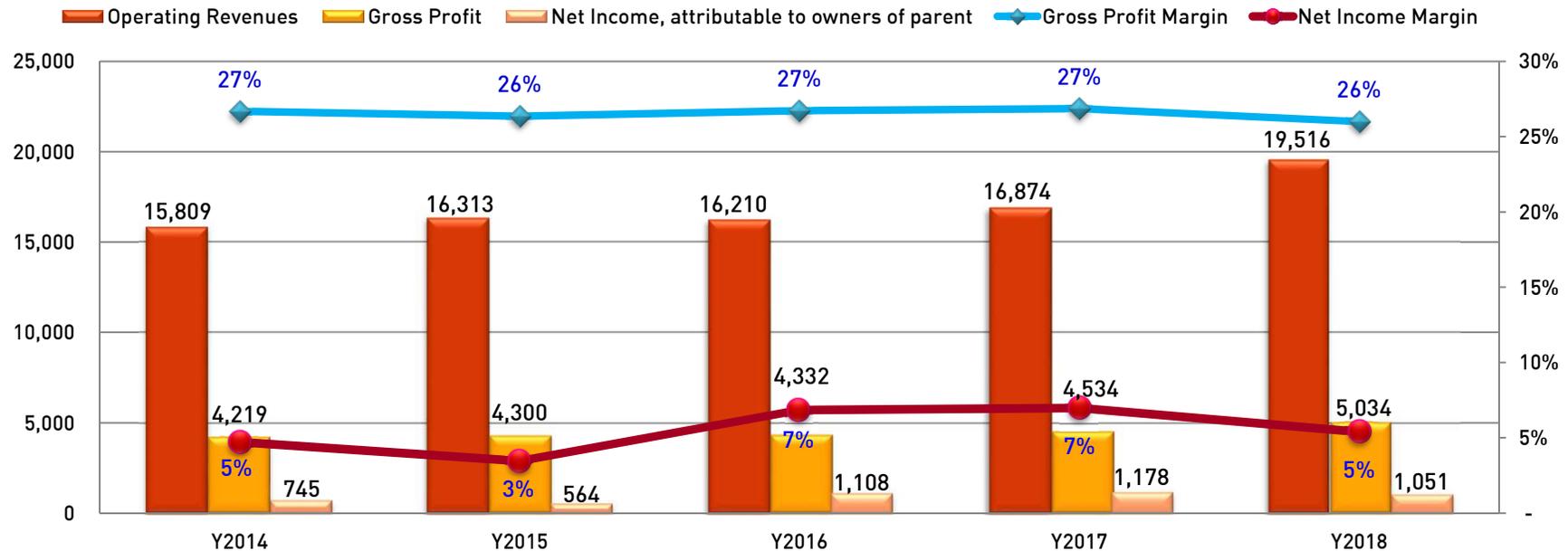
- ✓ D4SG(Data For Social Good) Fellowship
- ✓ YTP, Young Turing Program
- ✓ Charity Lunch for Students
- ✓ AI for Social Good Awarding Program
- ✓ AI+ School Program
- ✓ SYSTEX Elite Internship

BALANCE SHEETS

in million €

ITEM	2018/12/31	%	2017/12/31	%
Cash and cash equivalents	2,815	14%	3,708	19%
Current financial assets at fair value through profit or loss	3,079	15%	3,222	17%
Current available-for-sale financial assets	0	-	17	0%
Debt investments with no active market	0	-	357	2%
Trade and other current receivables	3,703	18%	3,282	17%
Inventories	2,894	15%	2,911	15%
Other current assets	1,571	8%	1,324	7%
Total current assets	14,062	70%	14,821	77%
Financial assets at fair value through profit or loss - non-current	1,680	8%	0	-
Financial assets at fair value through other comprehensive income - non-current	112	1%	0	-
Financial assets measured at amortized cost- non-current	500	3%	0	-
Financial assets measured at cost - non-current	0	-	509	3%
Debt investments with no active market- non-current	0	-	574	3%
Investments accounted for using equity method	1,241	6%	1,154	6%
Property, plant and equipment	1,913	10%	1,941	10%
Intangible assets	116	1%	51	0%
Total other non-current assets	355	1%	314	1%
Total non-current assets	5,917	30%	4,543	23%
Total assets	19,979	100%	19,364	100%
Short-term loans	816	4%	1,460	7%
Notes and accounts payable	3,193	16%	3,101	16%
Other current liabilities	2,483	13%	2,205	12%
Total current liabilities	6,492	33%	6,766	35%
Total non-current liabilities	292	1%	276	1%
Total liabilities	6,784	34%	7,042	36%
Total share capital	2,694	14%	2,694	14%
Capital surplus	6,729	34%	7,363	38%
Retained earnings	5,090	25%	3,670	19%
Other equity	(384)	-2%	(453)	-2%
Treasury shares	(1,004)	-5%	(1,004)	-5%
Total equity attributable to owners of Corporation	13,126	66%	12,270	64%
Non-controlling interests	69	0%	52	0%
Total liabilities and equity	19,978	100%	19,364	100%
Book Value Per Share	53.36		49.88	

Historical INCOME STATEMENT



	Y2014	Y2015	Y2016	Y2017	Y2018
Operating Revenues	15,809	16,313	16,210	16,874	19,516
Gross Profit	4,219	4,300	4,332	4,534	5,034
Gross Profit Margin	27%	26%	27%	27%	26%
Operating Expenses	3,784	3,881	4,053	3,995	4,346
Operating Income	486	419	279	539	688
Operating Income Margin	3%	3%	2%	3%	3%
Non-Operating Items	490	286	967	761	553
Net Income, attributable to owners of parent	745	564	1,108	1,178	1,051
Net Income Margin	5%	3%	7%	7%	5%
EPS	3.07	2.29	4.50	4.79	4.27

INCOME STATEMENT

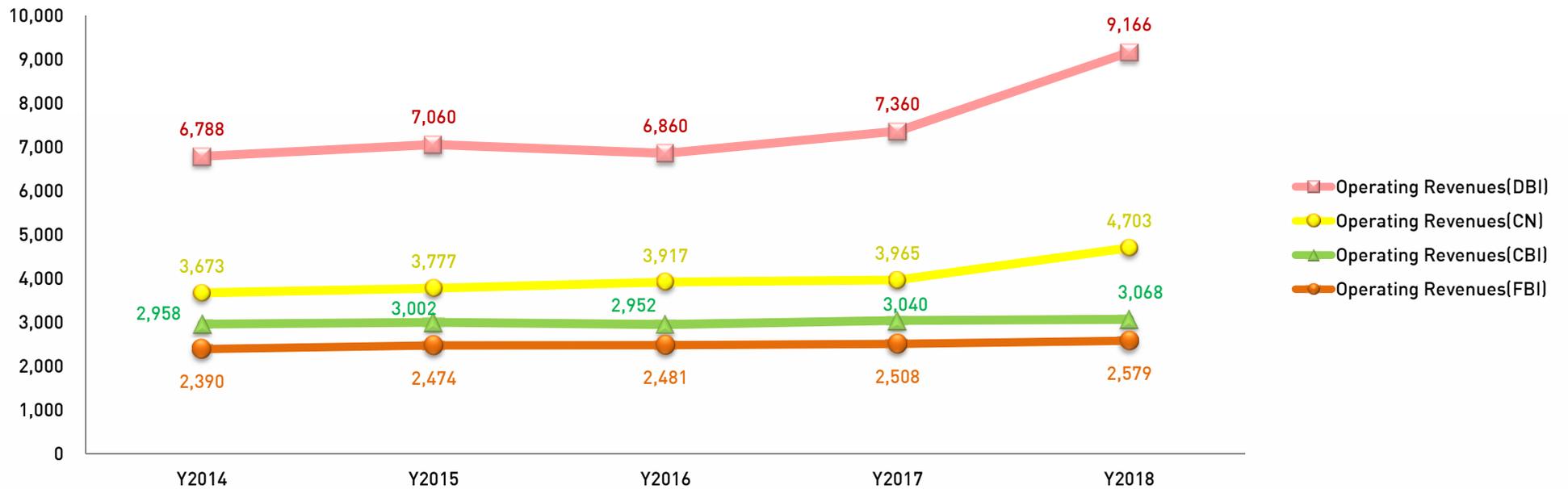
ITEM	4Q18	3Q18	DIFF	4Q17	DIFF	Y2018	Y2017	DIFF
Operating Revenues	5,532	5,001	531	4,781	751	19,516	16,874	2,642
Operating Costs	4,113	3,771	342	3,515	598	14,482	12,341	2,141
Gross Profit	1,419	1,230	189	1,266	153	5,034	4,534	500
Gross Profit Margin	26%	25%	1%	26%	-	26%	27%	-1%
Operating Expenses	1,266	1,092	174	1,122	144	4,346	3,995	351
Operating Income	153	138	15	144	9	688	539	149
Operating Income Margin	3%	3%	-	3%	-	3%	3%	-
Non-Operating Items (Notes 1)	(26)	10	(36)	184	(210)	553	761	(208)
Income Before Income Tax	127	148	(21)	328	(201)	1,241	1,300	(59)
Income Tax Expense	37	43	(6)	39	(2)	191	127	64
Net Income	90	105	(15)	289	(199)	1,050	1,173	(123)
Net Income, attributable to non-controlling interests	1	(2)	3	(2)	3	(1)	(5)	4
Net Income, attributable to owners of parent	89	107	(18)	291	(202)	1,051	1,178	(126)
EPS	0.35	0.44	(0.09)	1.19	(0.84)	4.27	4.79	(0.52)

Notes1 : Non-Operating Items

	4Q18	3Q18	DIFF	4Q17	DIFF	Y2018	Y2017	DIFF
Interest income and expense	4	3	1	6	(2)	10	16	(6)
Share of profit of associates	11	11	0	27	(16)	44	66	(22)
Gains on disposals of investments	48	74	(26)	117	(69)	601	479	122
Gains on financial assets at fair value through profit or loss	(102)	(161)	59	30	(132)	(223)	99	(322)
Dividend income	2	71	(69)	(0)	2	77	47	30
Foreign exchange gain(loss) , net	1	(8)	9	(1)	2	(10)	34	(44)
Gain (loss) on disposal of property, plant and equipment, net	(0)	9	(9)	4	(4)	9	4	5
Impairment loss on l assets	0	0	0	(9)	9	0	(38)	38
Other non-operating income and expenses	10	11	(1)	10	0	45	54	(9)
Total non-operating income and expenses	(26)	10	(36)	184	(210)	553	761	(208)

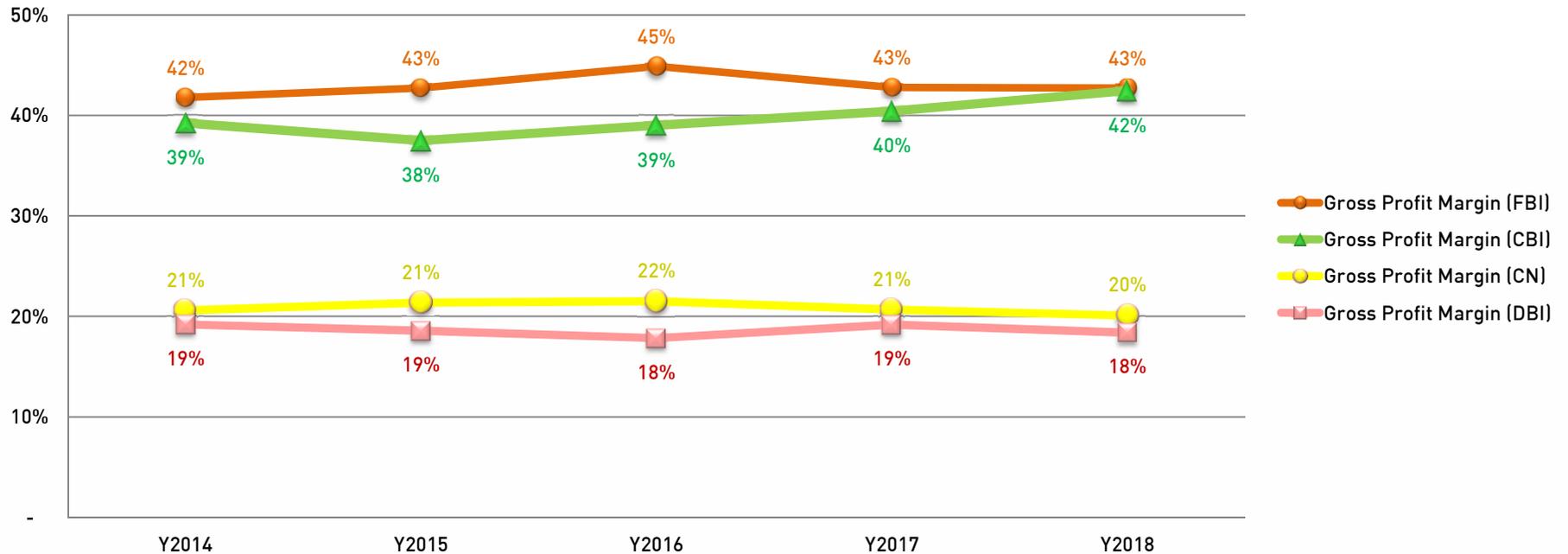
Operating Revenues by BI

NT\$ million



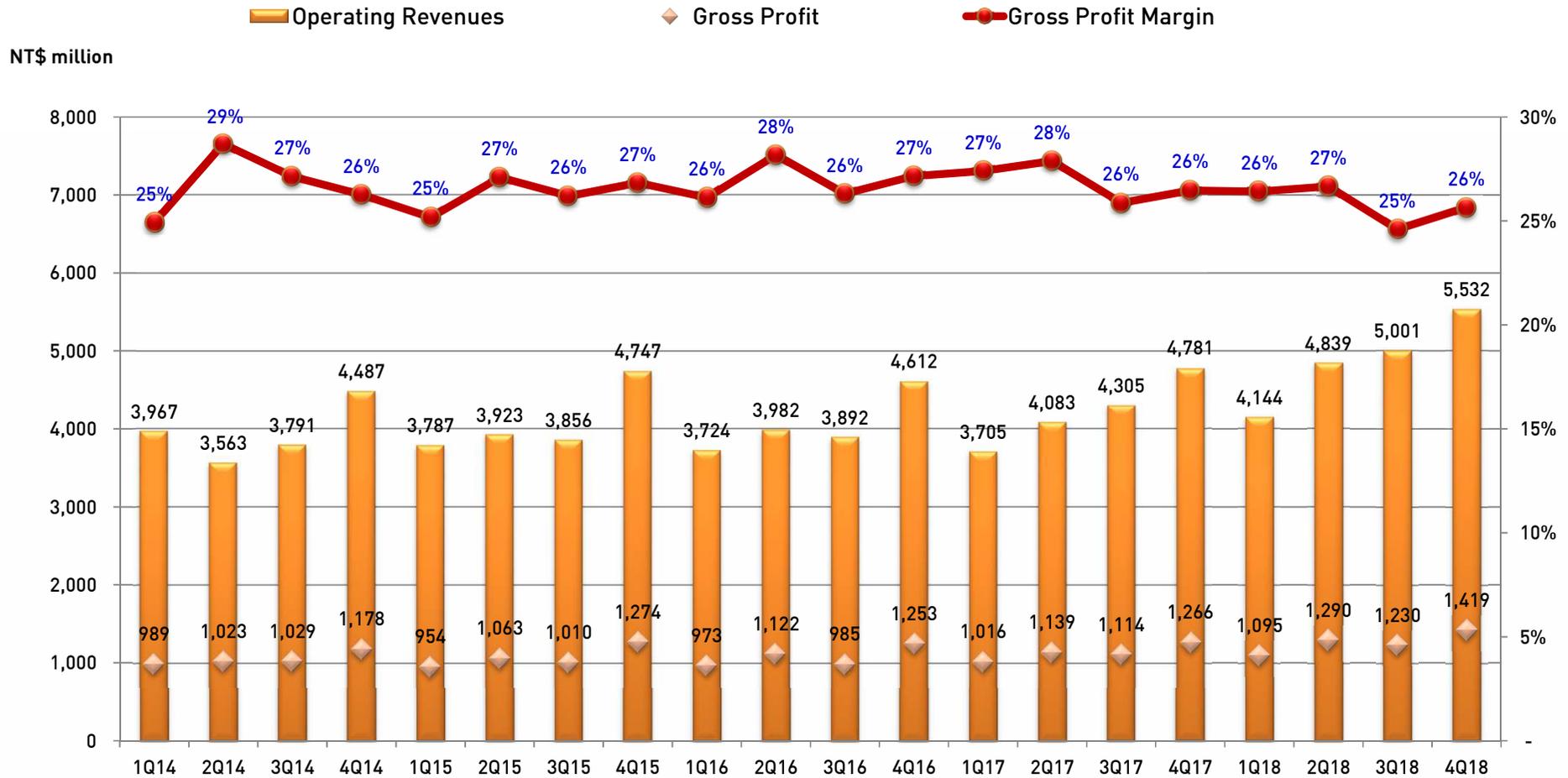
	Y2014		Y2015		Y2016		Y2017		Y2018	
	Amount	%								
Operating Revenues	15,809	100%	16,313	100%	16,210	100%	16,874	100%	19,516	100%
Operating Revenues(FBI)	2,390	15%	2,474	15%	2,481	15%	2,508	15%	2,579	13%
Operating Revenues(CBI)	2,958	19%	3,002	18%	2,952	18%	3,040	18%	3,068	16%
Operating Revenues(DBI)	6,788	43%	7,060	43%	6,860	42%	7,361	44%	9,166	47%
Operating Revenues(CN)	3,673	23%	3,777	23%	3,917	24%	3,965	24%	4,703	24%

Gross Profit Margin by BI

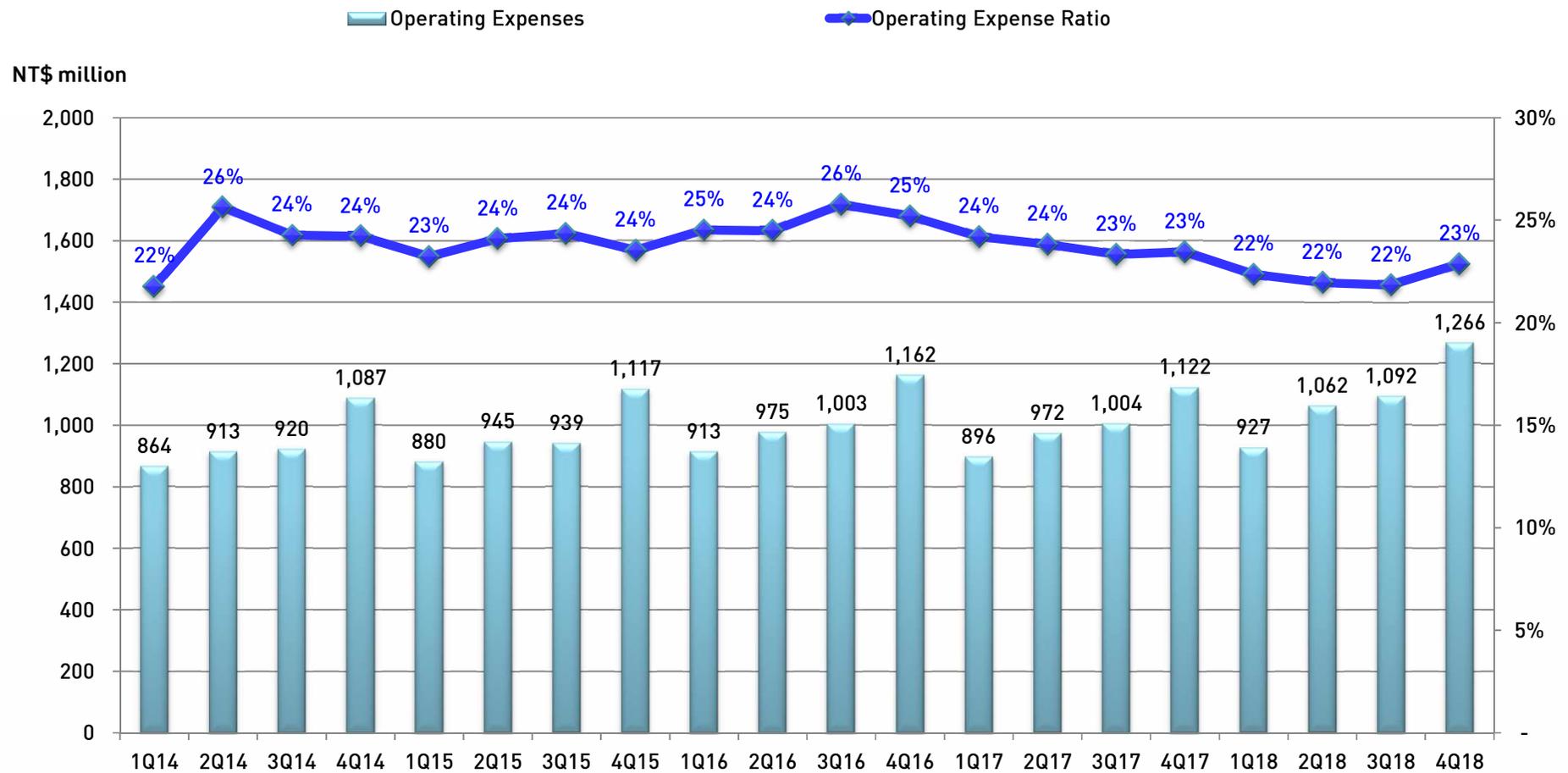


	Y2014	Y2015	Y2016	Y2017	Y2018
Gross Profit Margin	27%	26%	27%	27%	26%
Gross Profit Margin (FBI)	42%	43%	45%	43%	43%
Gross Profit Margin (CBI)	39%	38%	39%	40%	42%
Gross Profit Margin (DBI)	19%	19%	18%	19%	20%
Gross Profit Margin (CN)	21%	21%	22%	21%	18%

Consolidated Operating Revenues & Gross Profit Margin



Operating Expenses By Quarter





SYSTEMEX

Enabling **DX** with AI

Thank You