

SYSTEMEX Profile

CFO & Company Spokesman

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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 SYSTEX 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

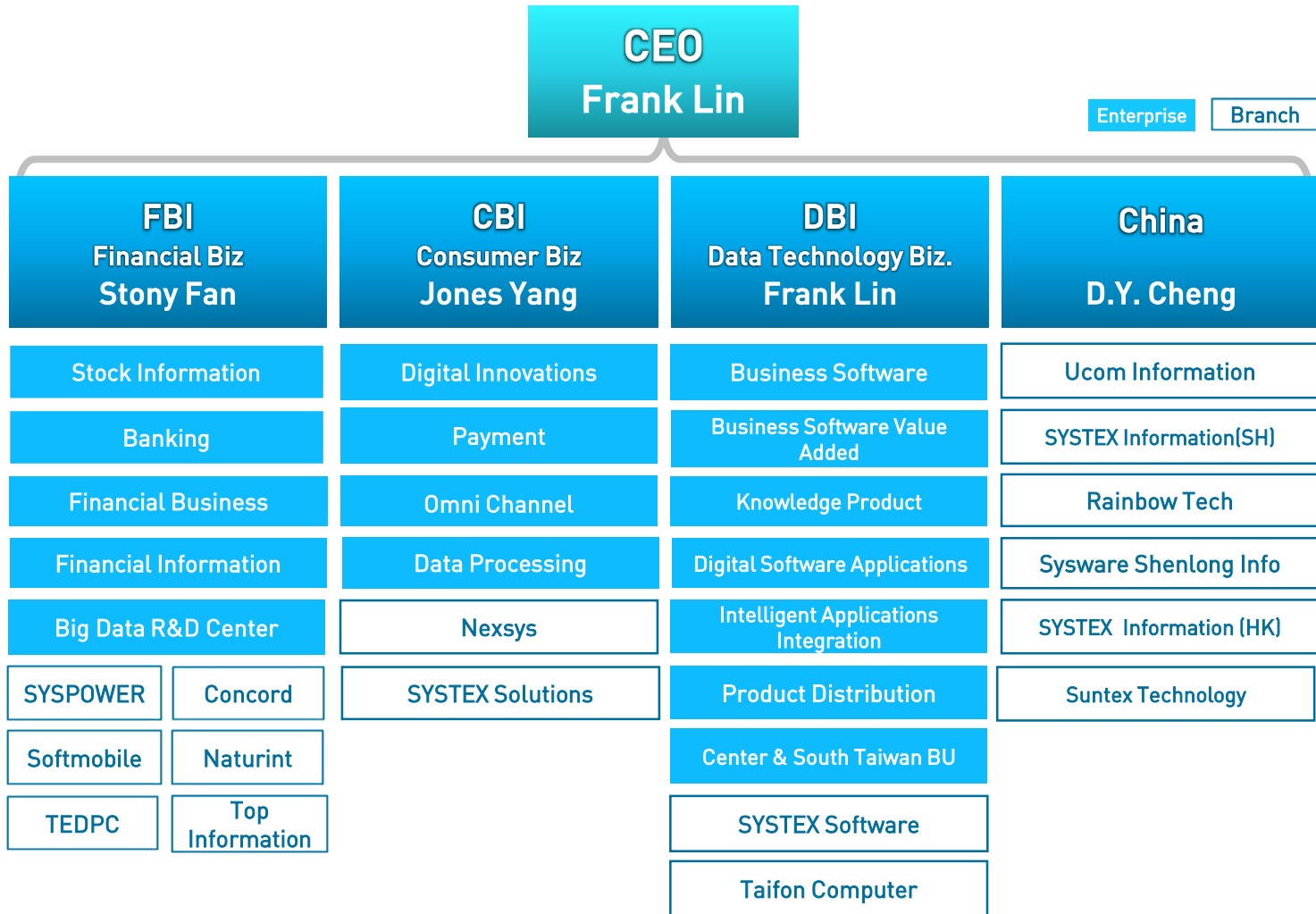
2019

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*

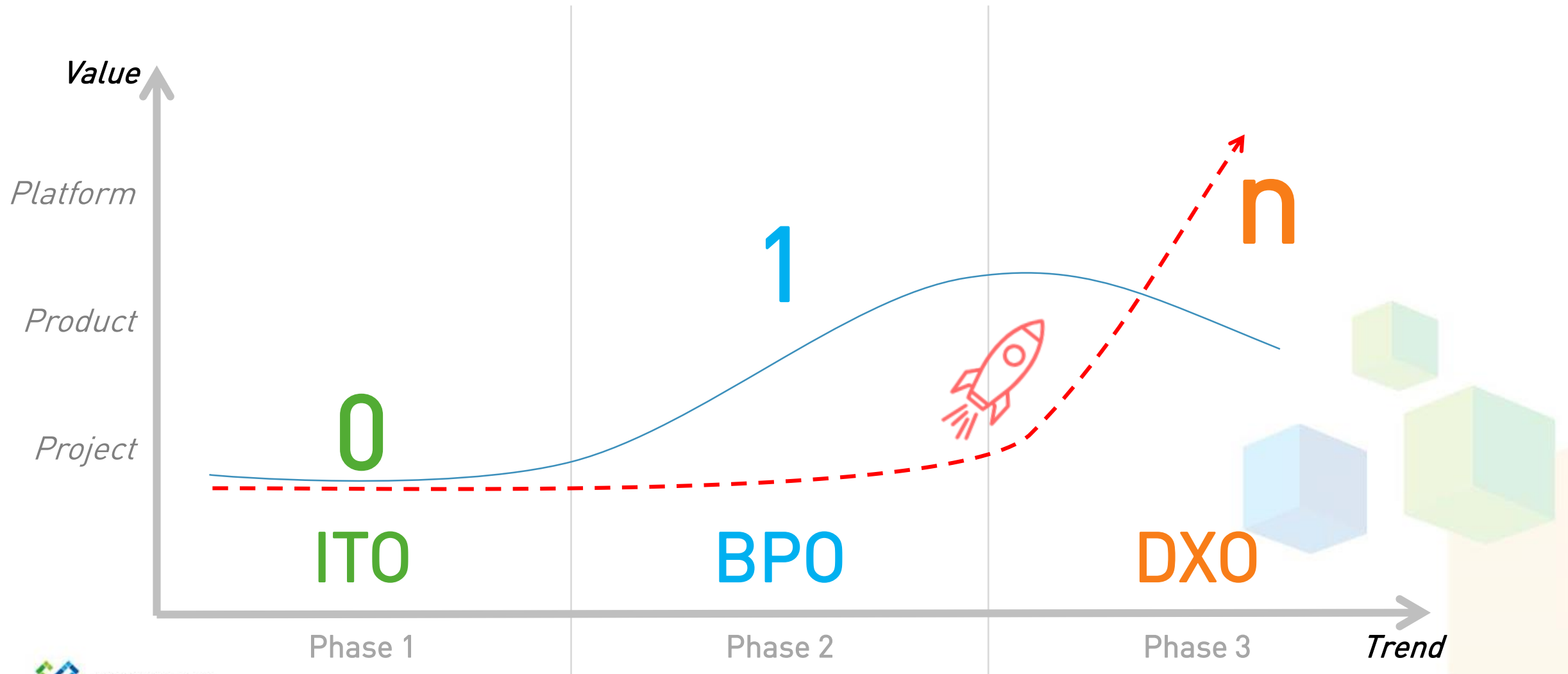
China

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

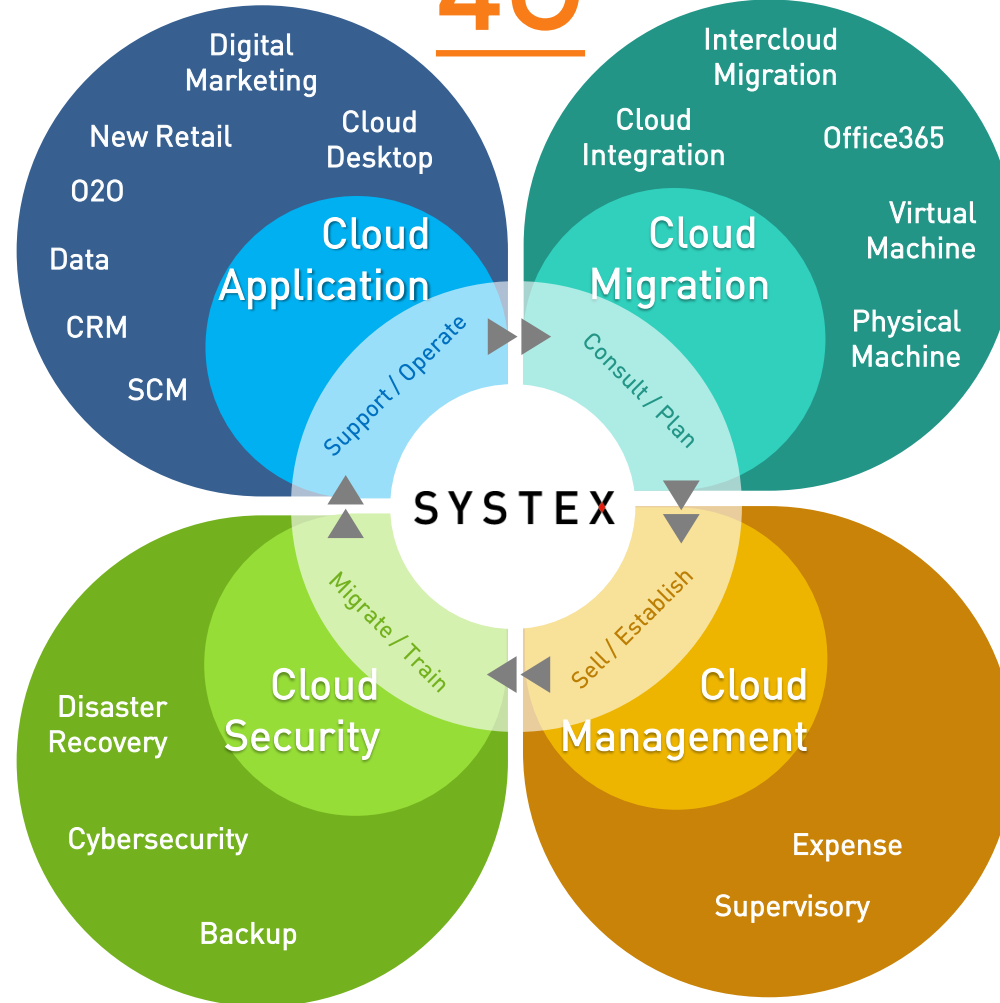


Core Competence : 5A@4C.3D

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

Global Ecosystem Partnership

AI	HITACHI Inspire the Next	Hewlett Packard Enterprise	Informatica	Google Cloud Platform	NetApp	IBM Premier Business Partner	aws partner network Select Consulting Partner	PURESTORAGE	CISCO	MICRO FOCUS				
Analytics	Microsoft	CISCO	HITACHI Inspire the Next	VERITAS	MICRO FOCUS	Google Cloud Platform	Hewlett Packard Enterprise	aws partner network Select Consulting Partner	IBM Premier Business Partner	vmware	ORACLE	splunk	Symantec	
HCI	NUTANIX	CISCO	vmware	DELL Technologies PLATINUM PARTNER	Hewlett Packard Enterprise	Lenovo	hp							
Edge	HITACHI Inspire the Next	CISCO	Google Cloud Platform	aws partner network Select Consulting Partner	Hewlett Packard Enterprise	DELL Technologies PLATINUM PARTNER	vmware	Lenovo	FORTINET					
Cloud	CISCO	Hewlett Packard Enterprise	Symantec	vmware	FORTINET	rubrik	Red Hat Ready Business Partner	NetApp	FORESCOUT	VERITAS	Google Cloud Platform	aws partner network Select Consulting Partner	IBM Premier Business Partner	Microsoft
	f5	paloalto	Infoblox	MICRO FOCUS	Informatica	PURESTORAGE							ORACLE	CITRIX
Security	Symantec	aws partner network Select Consulting Partner	CISCO	PURESTORAGE	Informatica	paloalto	FORESCOUT	aruba a Hewlett Packard Enterprise company	FORCEPOINT	IP-guard	DARKTRACE	FORTINET		
	IBM Premier Business Partner	f5	splunk	NetApp	MobileIron	MICRO FOCUS	Google Cloud Platform	Infoblox	RAPID7	FireEye	tufin	CROWDSTRIKE	tripwire	DELL Technologies PLATINUM PARTNER

Representative Clients by Industry

Telecom



Financial



High-tech Manufacturing



Government / Education



Service



Biotech / Medical



BALANCE SHEETS

UNIT : NT\$ million ,%

ITEM	4Q19	3Q19	DIFF	4Q18	DIFF	Y2019	Y2018	DIFF
Operating Revenues	6,013	5,671	342	5,532	481	22,051	19,516	2,535
Operating Costs	4,476	4,341	135	4,113	363	16,502	14,482	2,020
Gross Profit	1,537	1,330	207	1,419	118	5,549	5,034	515
Gross Profit Margin	26%	23%	3%	26%	-	25%	26%	-1%
Operating Expenses	1,591	1,161	430	1,266	325	4,942	4,346	596
Operating Income	(54)	169	(223)	153	(207)	607	688	(81)
Operating Income Margin	-1%	2%	-3%	3%	-4%	3%	4%	-1%
Non-Operating Items (Notes 1)	1,094	158	936	(26)	1,120	1,596	553	1,043
Income Before Income Tax	1,040	327	713	127	913	2,203	1,241	962
Income Tax Expense	238	40	197	37	201	392	191	201
Net Income	803	287	516	90	713	1,811	1,050	761
Net Income, attributable to non-controlling interests	1	1	(1)	1	(1)	3	(1)	4
Net Income, attributable to owners of parent	802	286	517	89	714	1,808	1,051	757
EPS	3.24	1.15	2.09	0.35	2.89	7.31	4.27	3.04

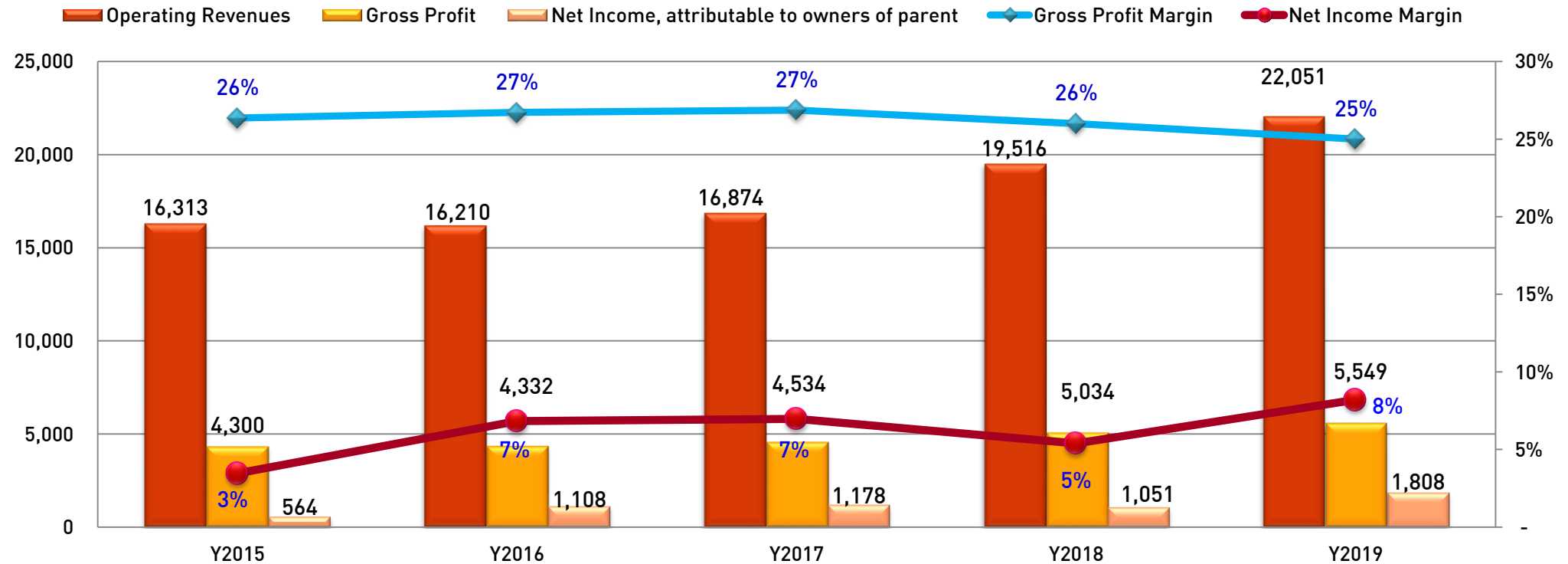
Notes1 : Non-Operating Items

	4Q19	3Q19	DIFF	4Q18	DIFF	Y2019	Y2018	DIFF
Interest income and expense	0	(1)	1	4	(3)	10	10	(0)
Share of profit of associates	30	17	13	11	21	68	44	24
Gains on disposals of investments	1,554	115	1,439	48	1,506	1,720	601	1,119
Gains on financial assets at fair value through profit or loss	(109)	21	(130)	(102)	(6)	81	(223)	304
Dividend income	(0)	7	(7)	2	(2)	69	77	(8)
Foreign exchange gain(loss) , net	4	(6)	10	1	2	3	(10)	13
Gain (loss) on disposal of property, plant and equipment, net	(1)	(0)	(1)	(0)	0	(0)	9	(9)
Impairment loss on l assets	(371)	0	(371)	0	(371)	(371)	0	(371)
Other non-operating income and expenses	(13)	5	(19)	10	(23)	16	45	(29)
Total non-operating income and expenses	1,094	158	936	(26)	1,120	1,596	553	1,043



Historical INCOME STATEMENT

UNIT : NT\$ million ,%



	Y2015	Y2016	Y2017	Y2018	Y2019
Operating Revenues	16,313	16,210	16,874	19,516	22,051
Gross Profit	4,300	4,332	4,534	5,034	5,549
Gross Profit Margin	26%	27%	27%	26%	25%
Operating Expenses	3,881	4,053	3,995	4,346	4,942
Operating Income	419	279	539	688	607
Operating Income Margin	3%	2%	3%	3%	3%
Non-Operating Items	286	967	761	553	1,596
Net Income, attributable to owners of parent	564	1,108	1,178	1,051	1,808
Net Income Margin	3%	7%	7%	5%	8%
EPS	2.29	4.50	4.79	4.27	7.31

INCOME STATEMENT

UNIT : NT\$ million ,%

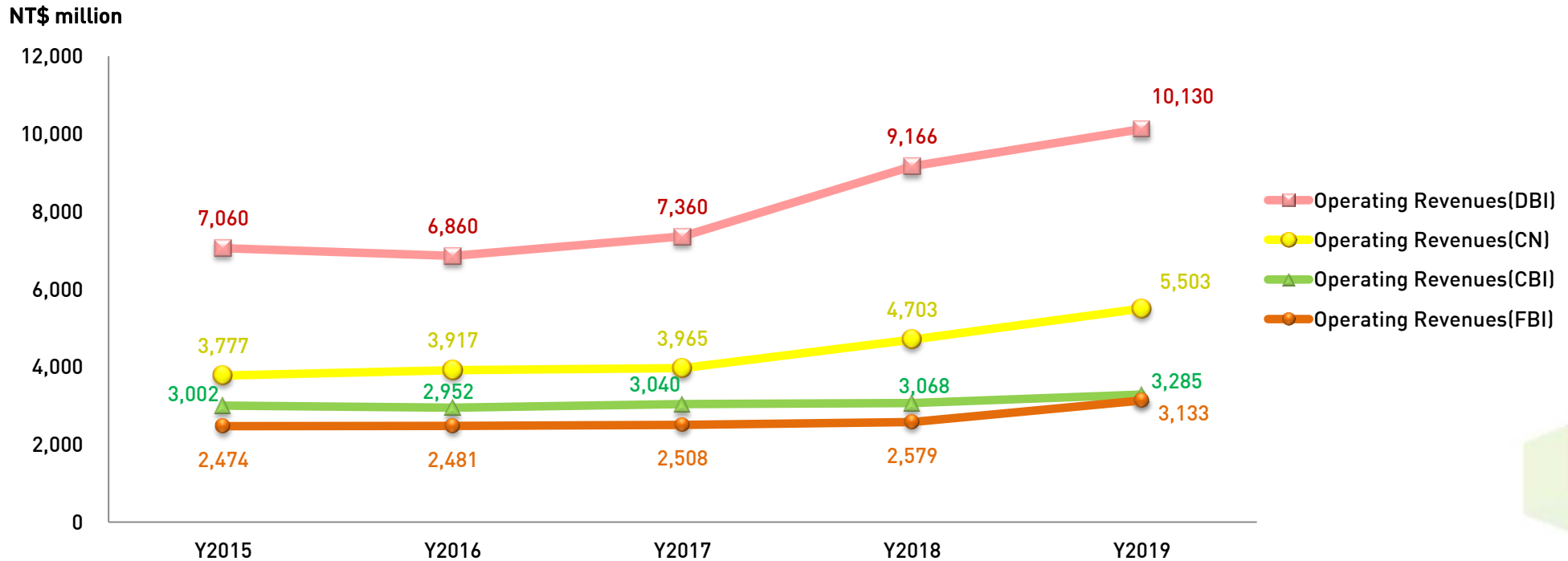
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Gross Profit	1,537	1,330	207	1,419	118	5,549	5,034	515
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Operating Expenses	1,591	1,161	430	1,266	325	4,942	4,346	596
Operating Income	(54)	169	(223)	153	(207)	607	688	(81)
Operating Income Margin	-1%	2%	-3%	3%	-4%	3%	4%	-1%
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Net Income	803	287	516	90	713	1,811	1,050	761
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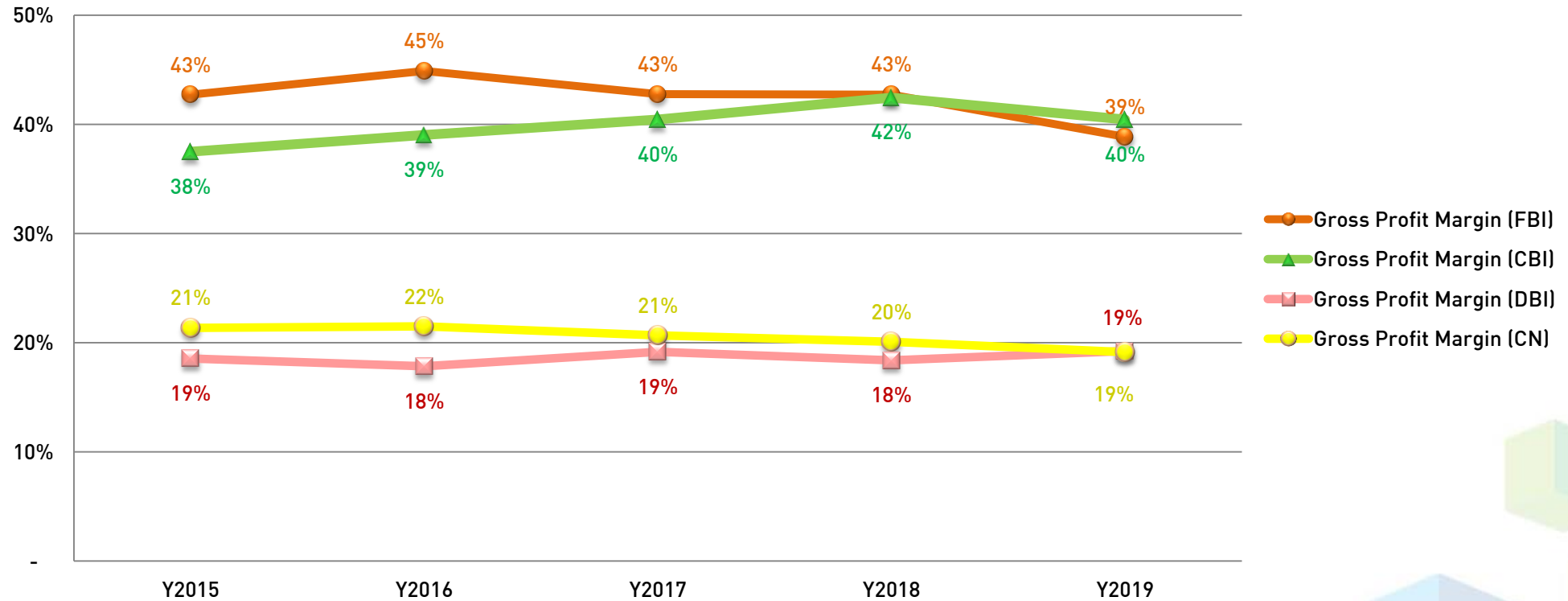
Operating Revenues by BI

UNIT : NT\$ million ,%



	Y2015		Y2016		Y2017		Y2018		Y2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues	16,313	100%	16,210	100%	16,874	100%	19,516	100%	22,051	100%
Operating Revenues(FBI)	2,474	15%	2,481	15%	2,508	15%	2,579	13%	3,133	14%
Operating Revenues(CBI)	3,002	18%	2,952	18%	3,040	18%	3,068	16%	3,285	15%
Operating Revenues(DBI)	7,060	43%	6,860	42%	7,361	44%	9,166	47%	10,130	46%
Operating Revenues(CN)	3,777	23%	3,917	24%	3,965	24%	4,703	24%	5,503	25%

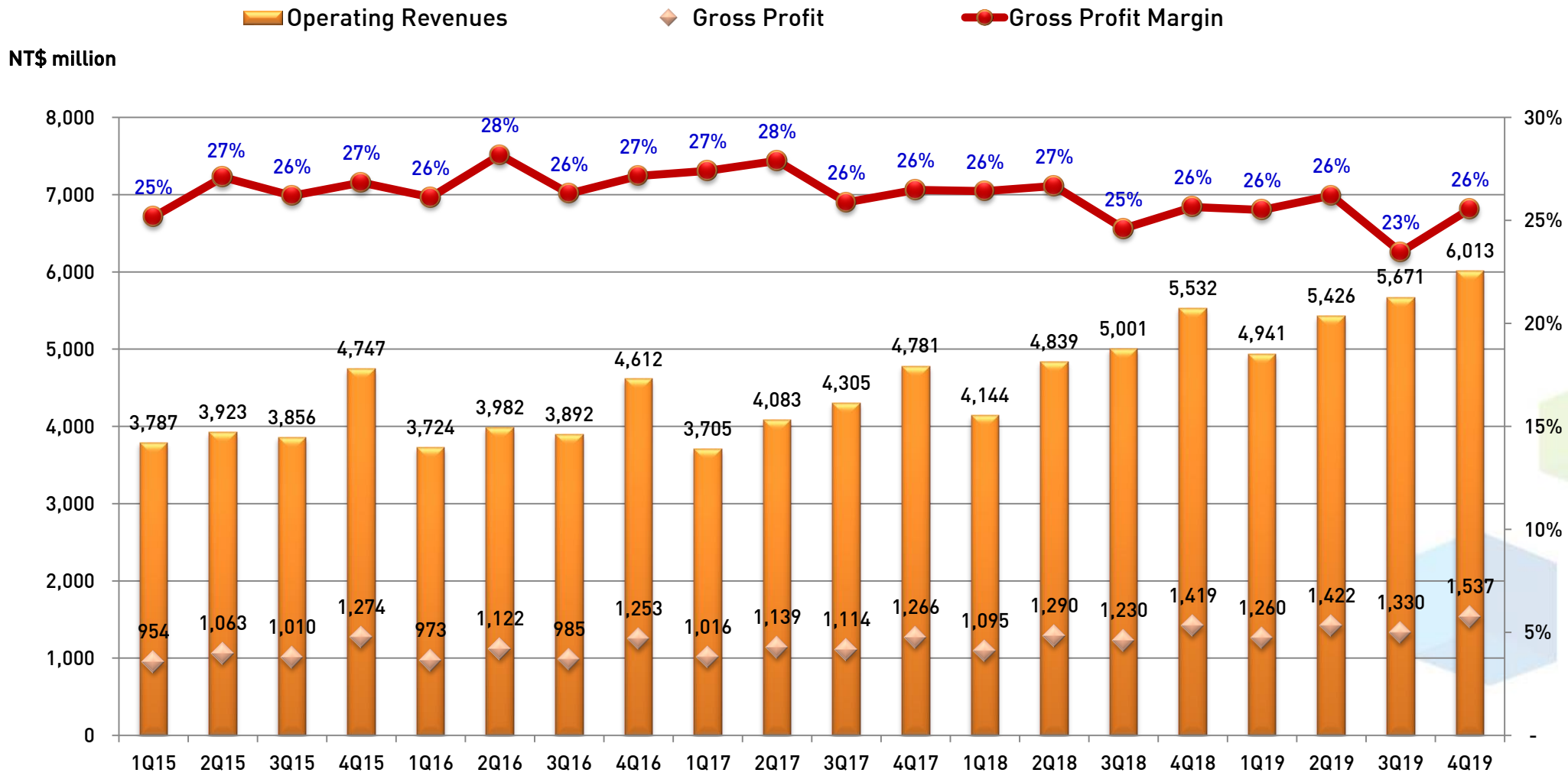
Gross Profit Margin by BI



	Y2015	Y2016	Y2017	Y2018	Y2019
Gross Profit Margin	26%	27%	27%	26%	25%
Gross Profit Margin (FBI)	43%	45%	43%	43%	39%
Gross Profit Margin (CBI)	38%	39%	40%	42%	40%
Gross Profit Margin (DBI)	19%	18%	19%	20%	19%
Gross Profit Margin (CN)	21%	22%	21%	18%	19%

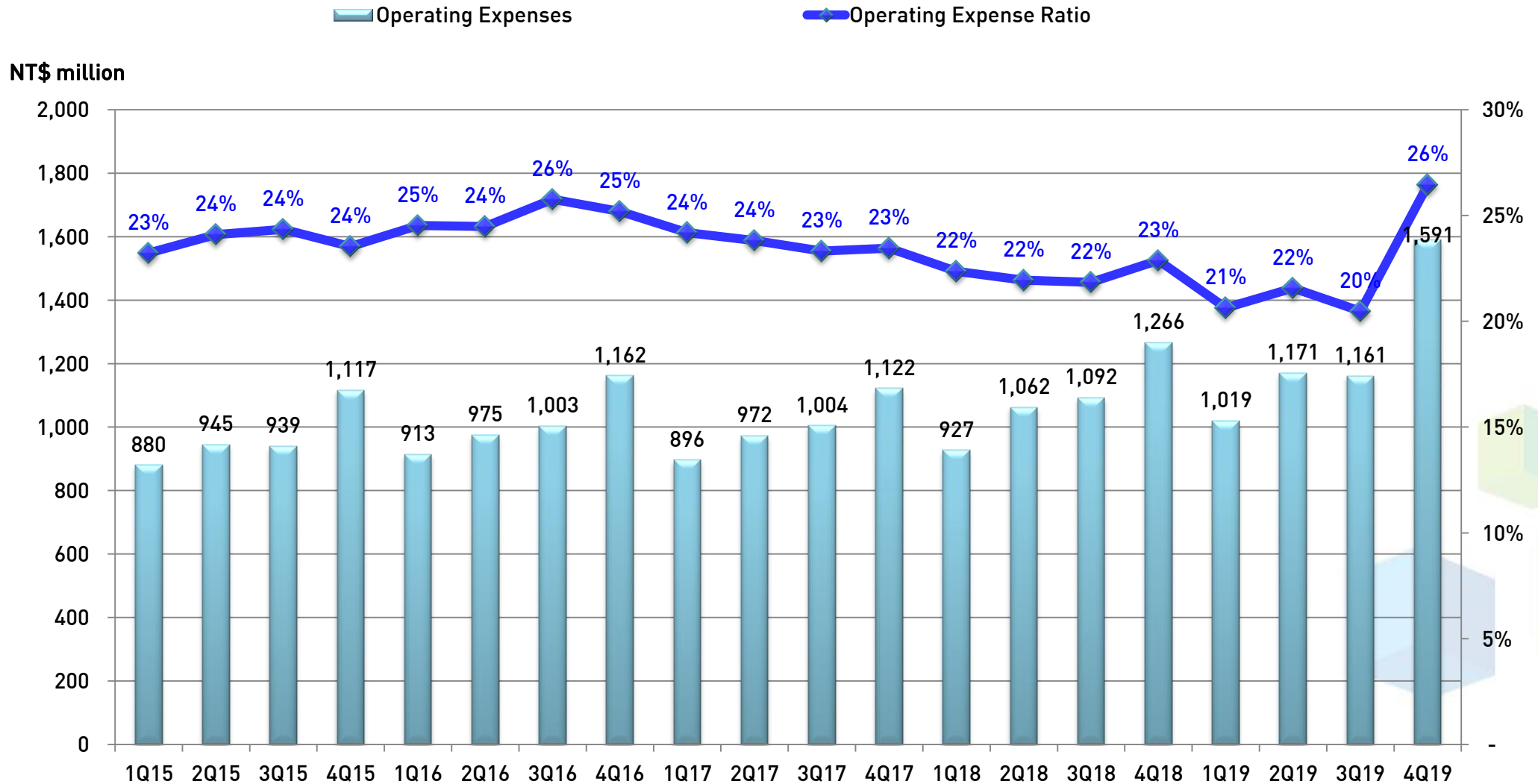
Consolidated Operating Revenues & Gross Profit Margin

UNIT : NT\$ million , %



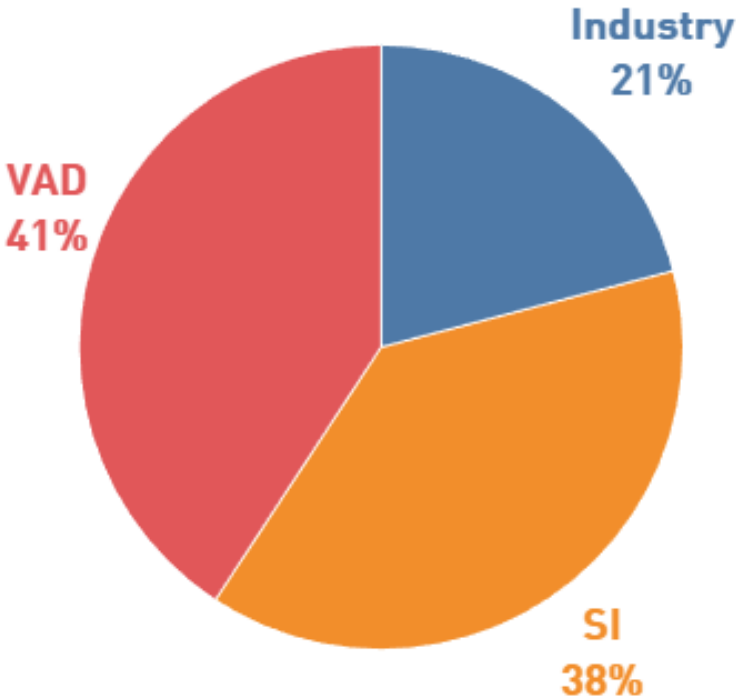
Operating Expenses By Quarter

UNIT : NT\$ million , %

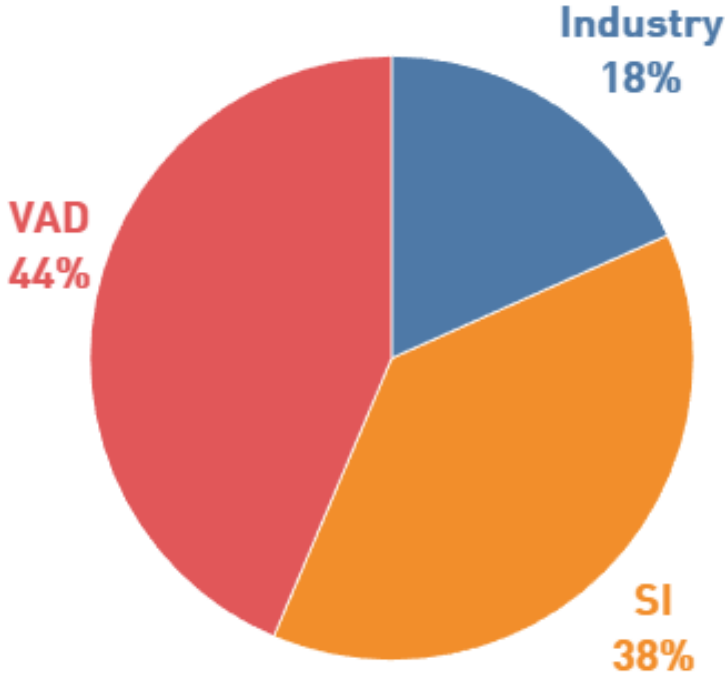


Revenue breakdown by business type

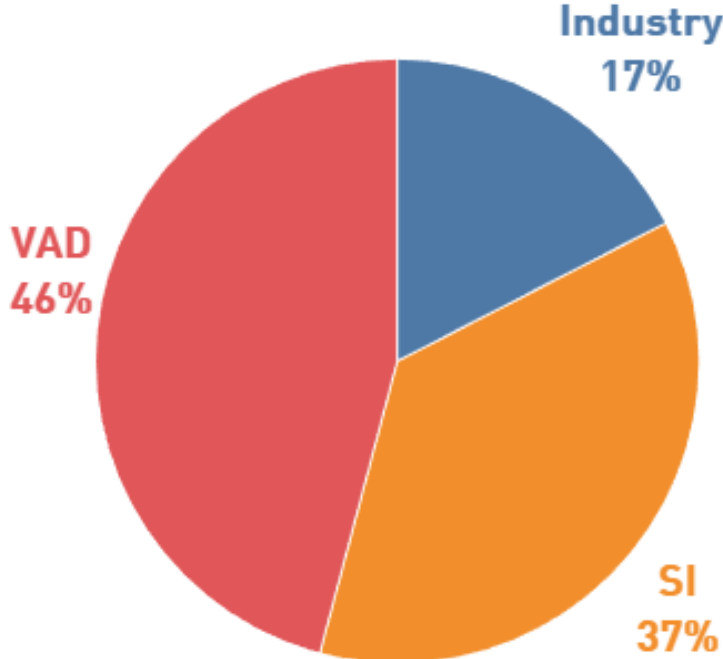
Y2017



Y2018

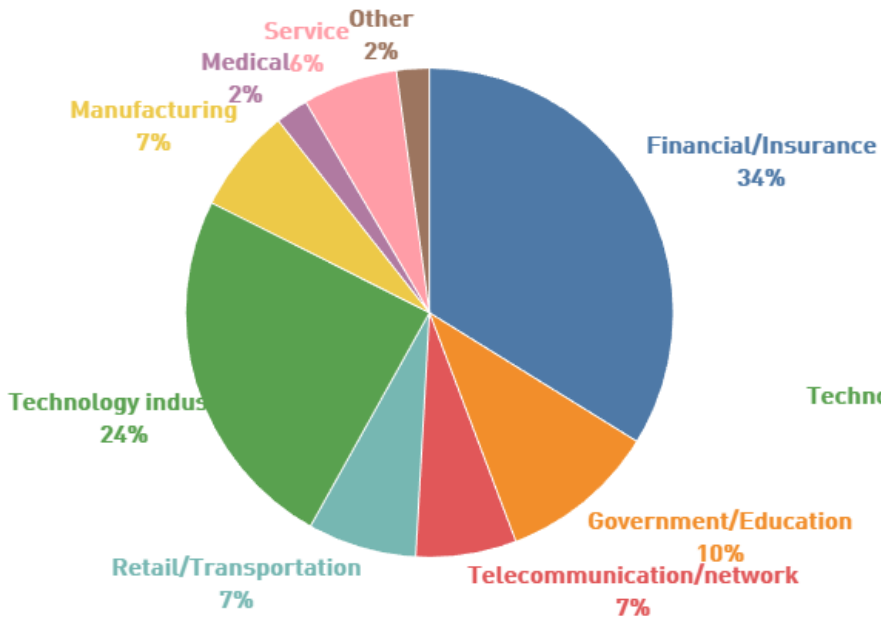


Y2019

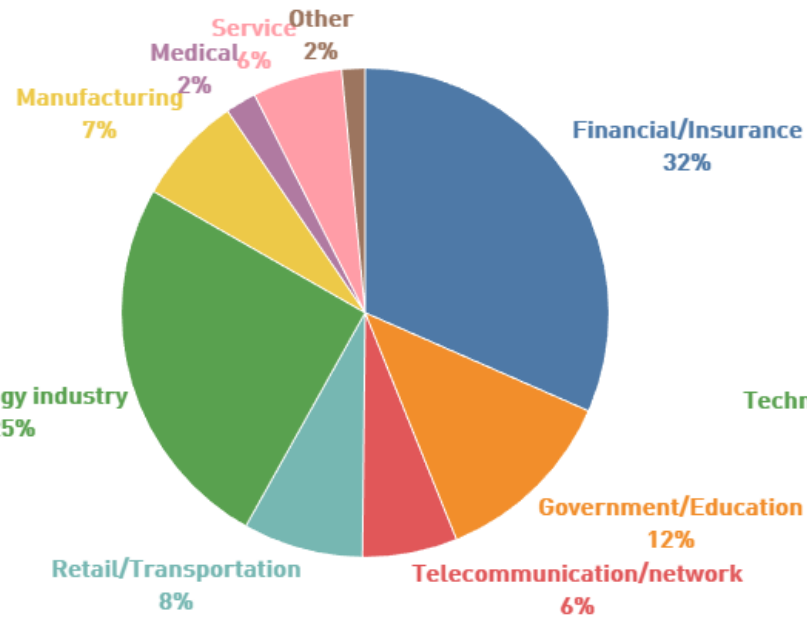


Revenue breakdown by industrial classification

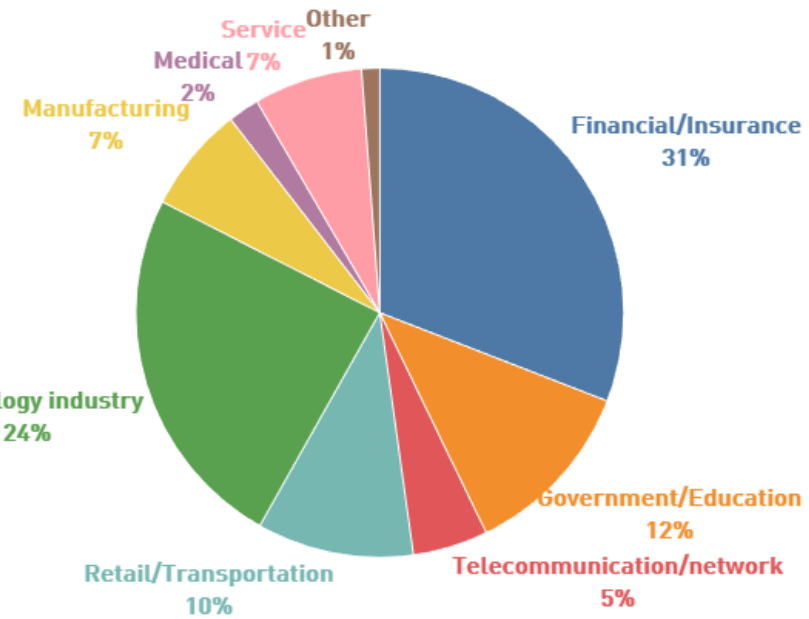
Y2017



Y2018



Y2019





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Thank You