



# Investor Conference

2023/3/29

Sysgration Ltd.  
(5309)



# Outline

- 1 Corporate Strategies** **Mark Lee**
- 2 2022/2023 Operation Highlights** **TF Hsieh**
- 3 Business Growth Strategies** **TF Hsieh**
- 4 Global Sustainability** **TF Hsieh**
- 5 Q&A**



# Corporate Strategies

# Corporate Strategies

- ◆ Global economy sees end of rate hikes, easing inflation; Cautious approach in Q2, Cash is king
- ◆ Banking Crisis: SVB, First Republic Bank, Credit Suisse
- ◆ Geopolitical Factors: US expansion plan
- ◆ H1 inventory reduction, H2 building safety stock: for EV and AI application
- ◆ Economy expected to bottom out in Q2, proactive deployment awaiting recovery; cautiously optimistic in H2
- ◆ Robust Financial Structure:
  - Offsetting previous losses
  - Net worth: NTD 11.56 per share
  - Expecting margin trading activation in mid-April
  - Over NTD 600 million deferred tax asset
  - Private placement raises NTD 769 million in cash, for US plant expansion and M&A plans.

	NSB NT\$ M	Gross Margin	EPS
2022	3,404	23.6%	2.14
2021	2,455	19.9%	0.62
YoY	38.7%	18.6%	245%

## ◆ Sysgration: (Automotive Electronics)

- ◆ TPMS/Industrial PCs/Metaverse Products
- ◆ Steady growth momentum, continuously expanding business with top international clients in Europe and America

## ◆ Power Tank Energy: (Energy Storage)

- ◆ Specialized technical expertise, large-scale energy storage projects
- ◆ Global policy advantages in energy storage, high growth potential, future listing plans
  1. Business Model: Energy storage project services, providing warranty and operational capital management
  2. Integration of upstream and downstream energy storage supply chain, attracting capital, technology, and strategic investors
  3. Large-scale green energy management system
  4. Industrial-grade certified energy storage system
  5. Commercial/residential distributed energy storage applications
  6. Smart microgrid energy storage
  7. Power frequency dispatch management system
  8. Clean renewable energy storage



## Automotive Solutions

## Power and Energy Management



Tire Pressure Monitoring Systems

- ### Electric Vehicle
1. TPMS CAGR >9%
  2. EV CAGR >20%
  3. 100-110 Patents

1  
  
EV

3  
  
ESS

- ### Energy Storage System
1. ESS CAGR >45%
  2. Global Power Shortage
  3. Renewable Low Carbon Energy
  4. 40-50 Patents



Container ESS



Energy Brick



Head-Mount AR Device

- ### Metaverse/IoV
1. Metaverse CAGR >70%
  2. IoV CAGR >15%
  3. IPC rugged design for harsh environment

2  
  
Metaverse

4  
  
Datacenter

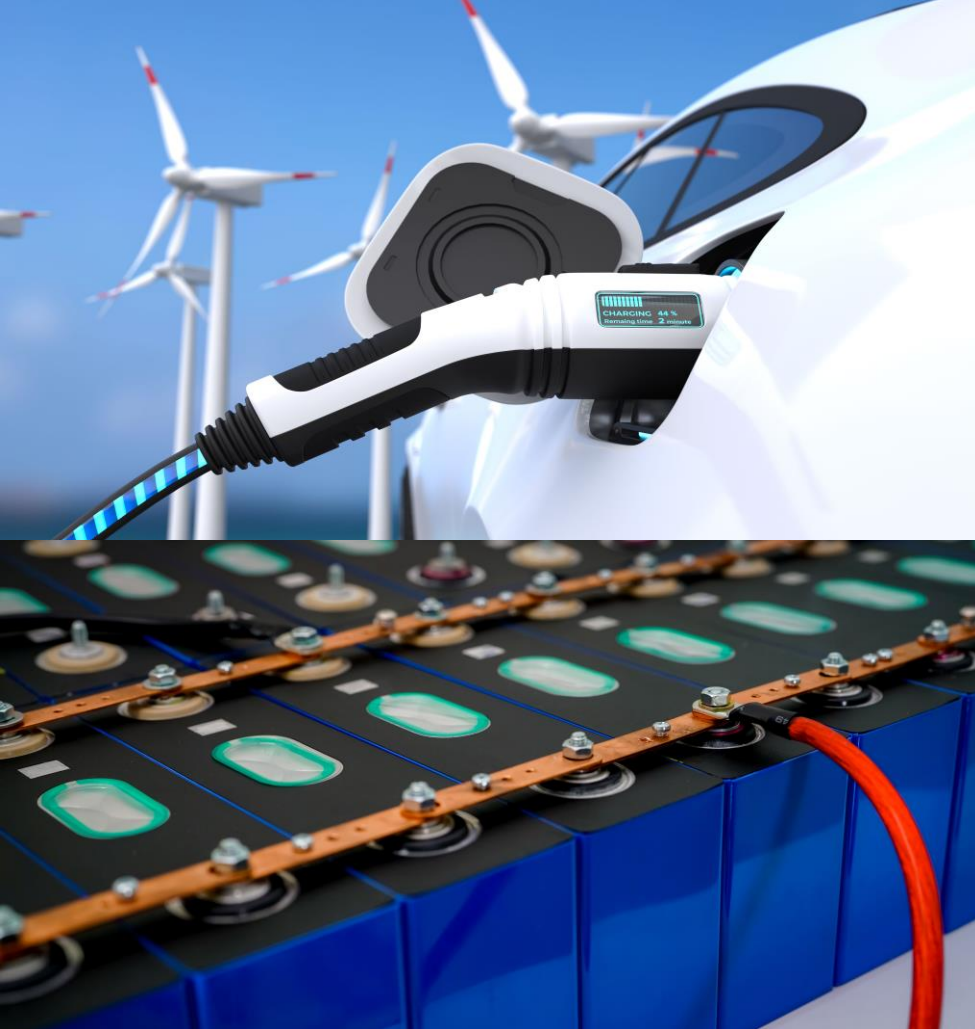
- ### Datacenter BBU/BBS
1. Datacenter PSU CAGR >9%
  2. Battery Back-Up System
  3. Datacenter Server Power



Datacenter BBU

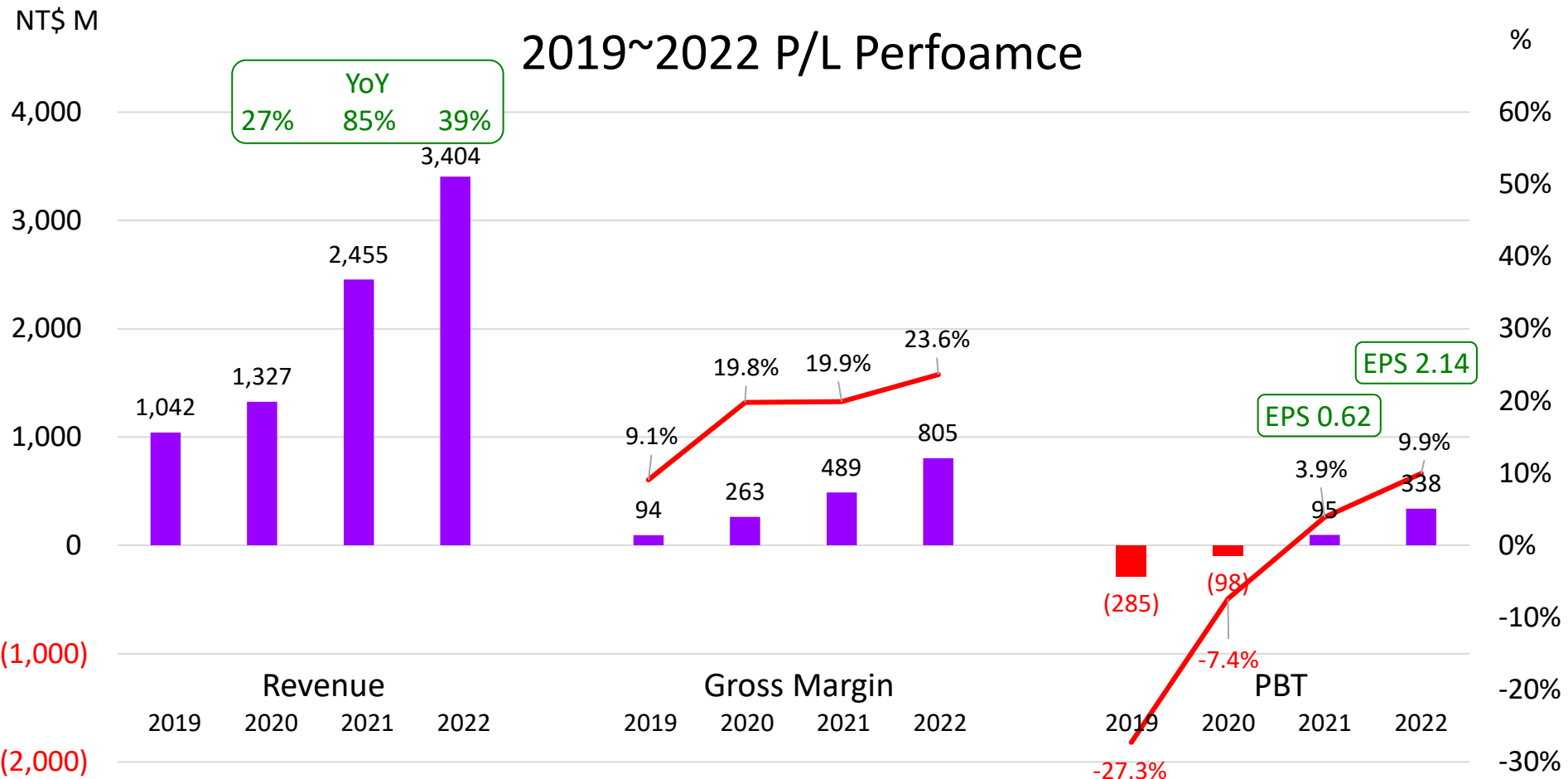


Industrial PC



2022/2023  
Operation  
Highlights

# 2019~2022 P/L Performance

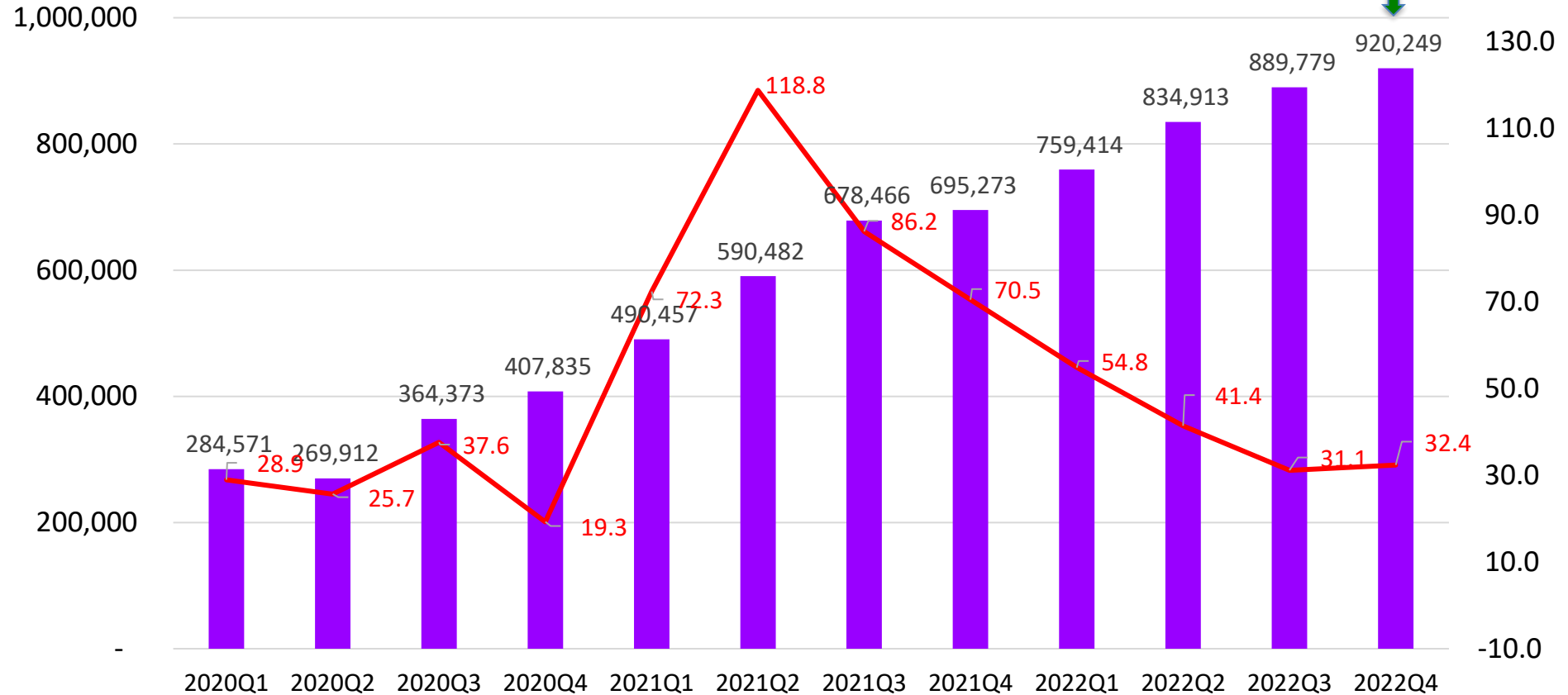




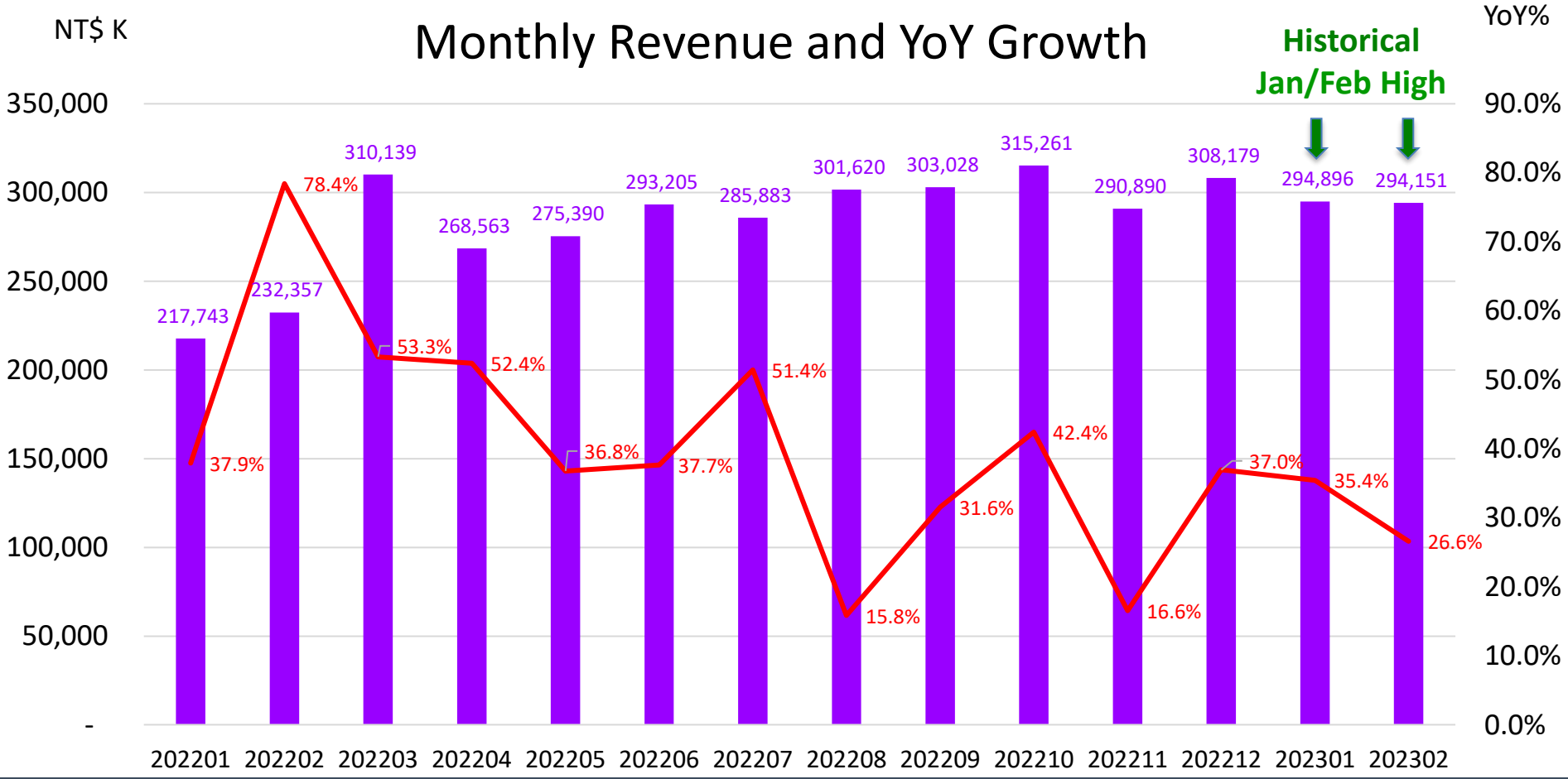
## Quarterly Revenue and YoY Ratio

Historical High

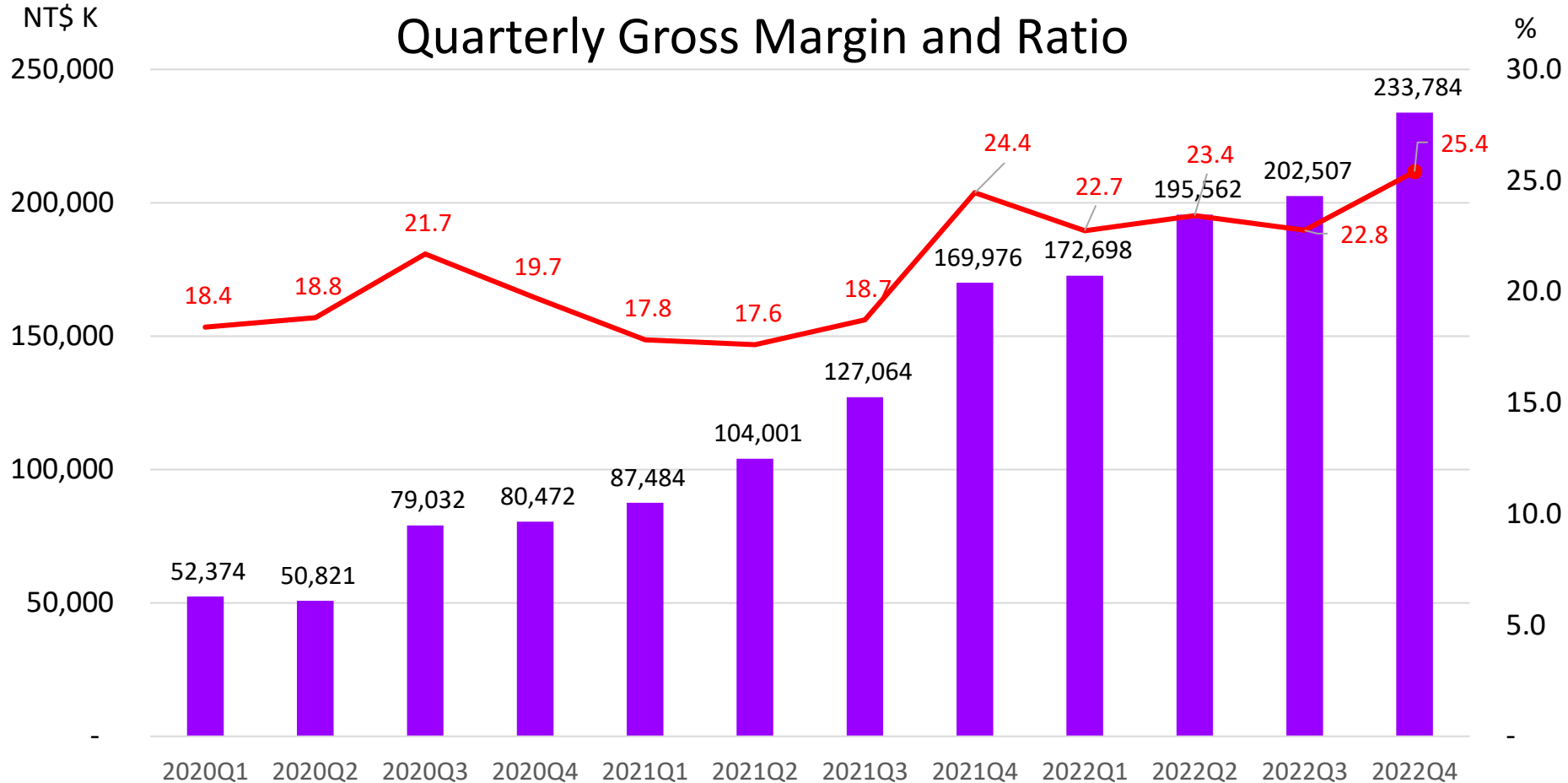
YoY%  
150.0



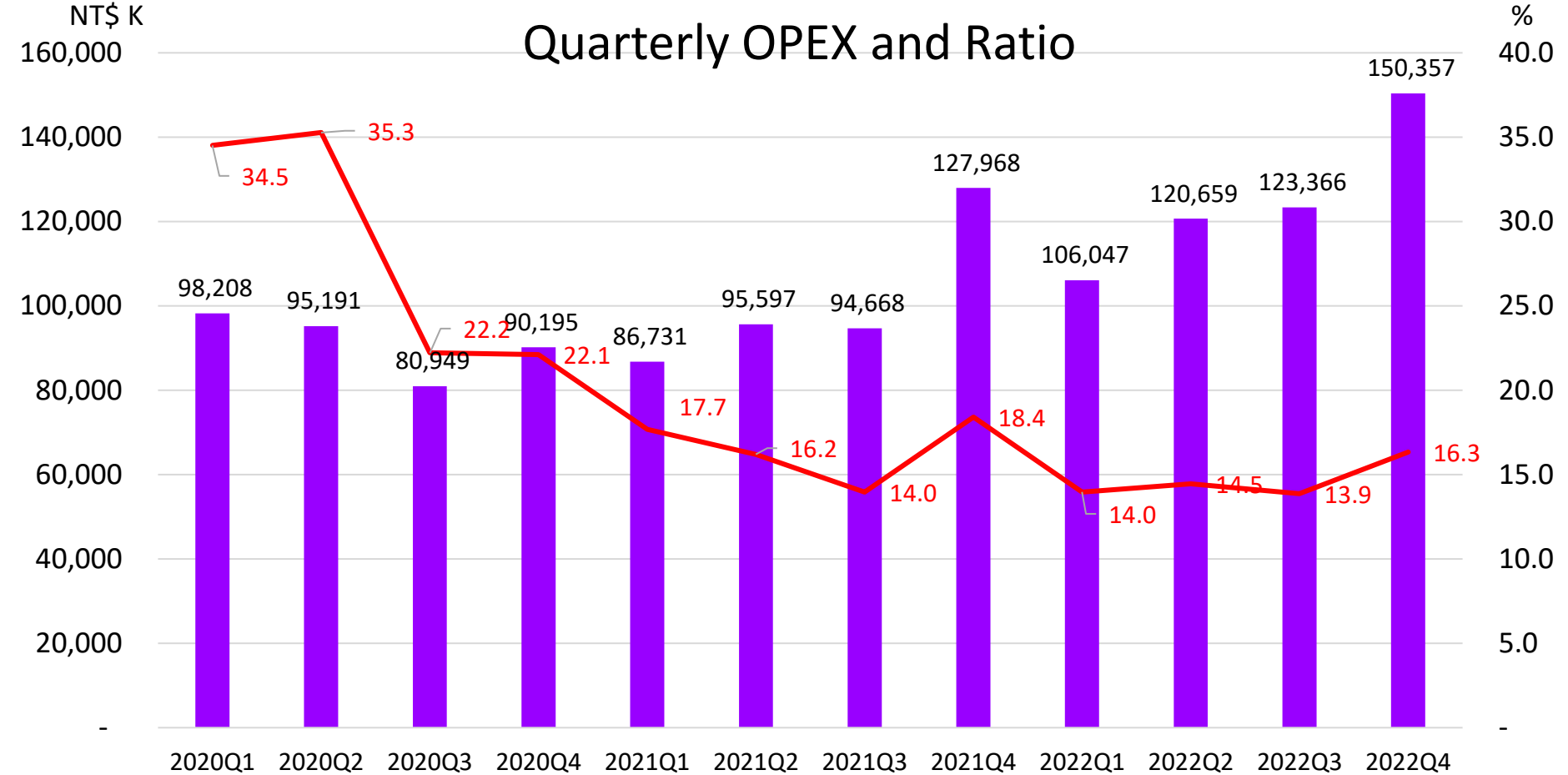
# 2022~2023 Monthly Revenue

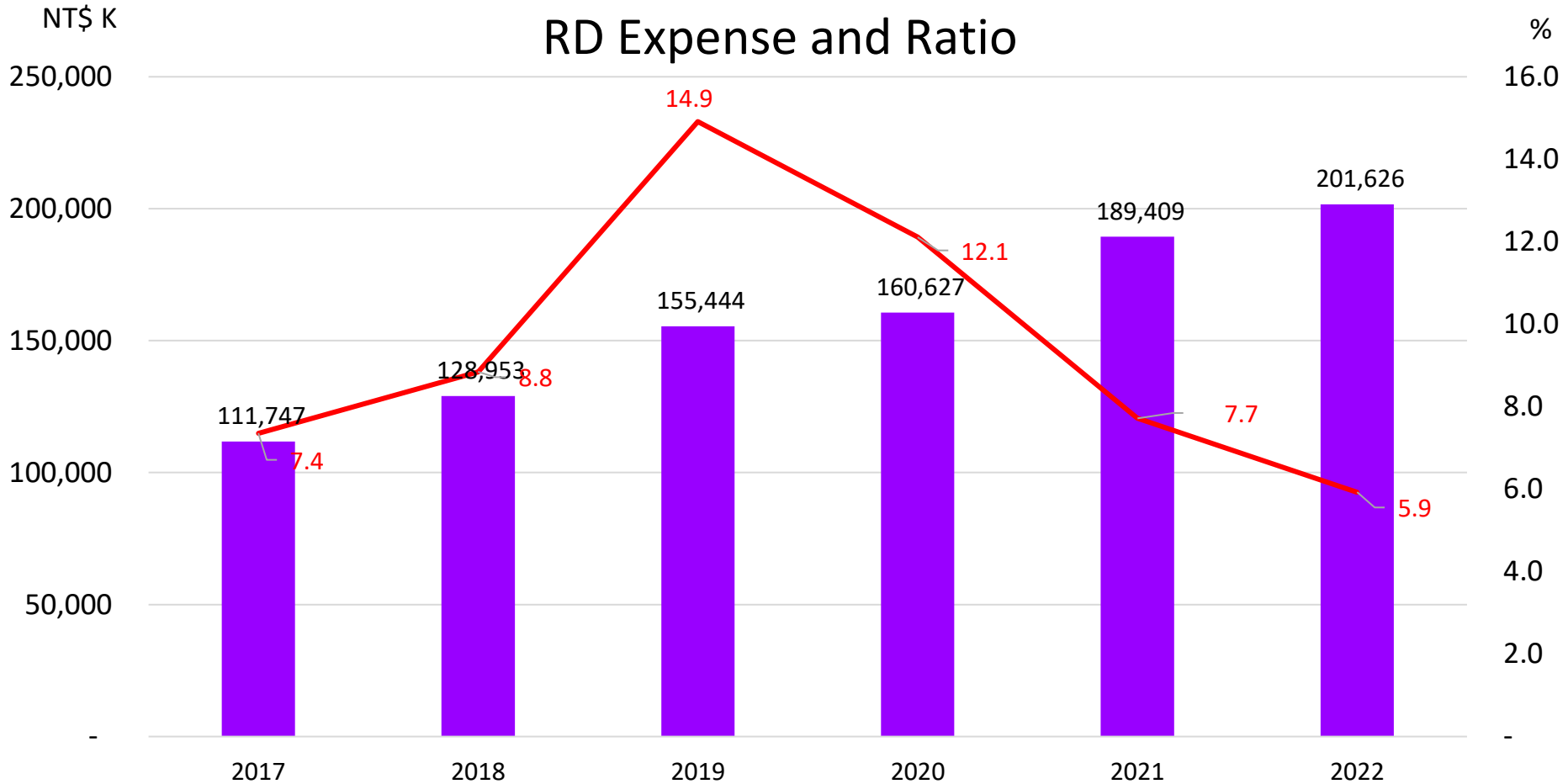


## Quarterly Gross Margin and Ratio

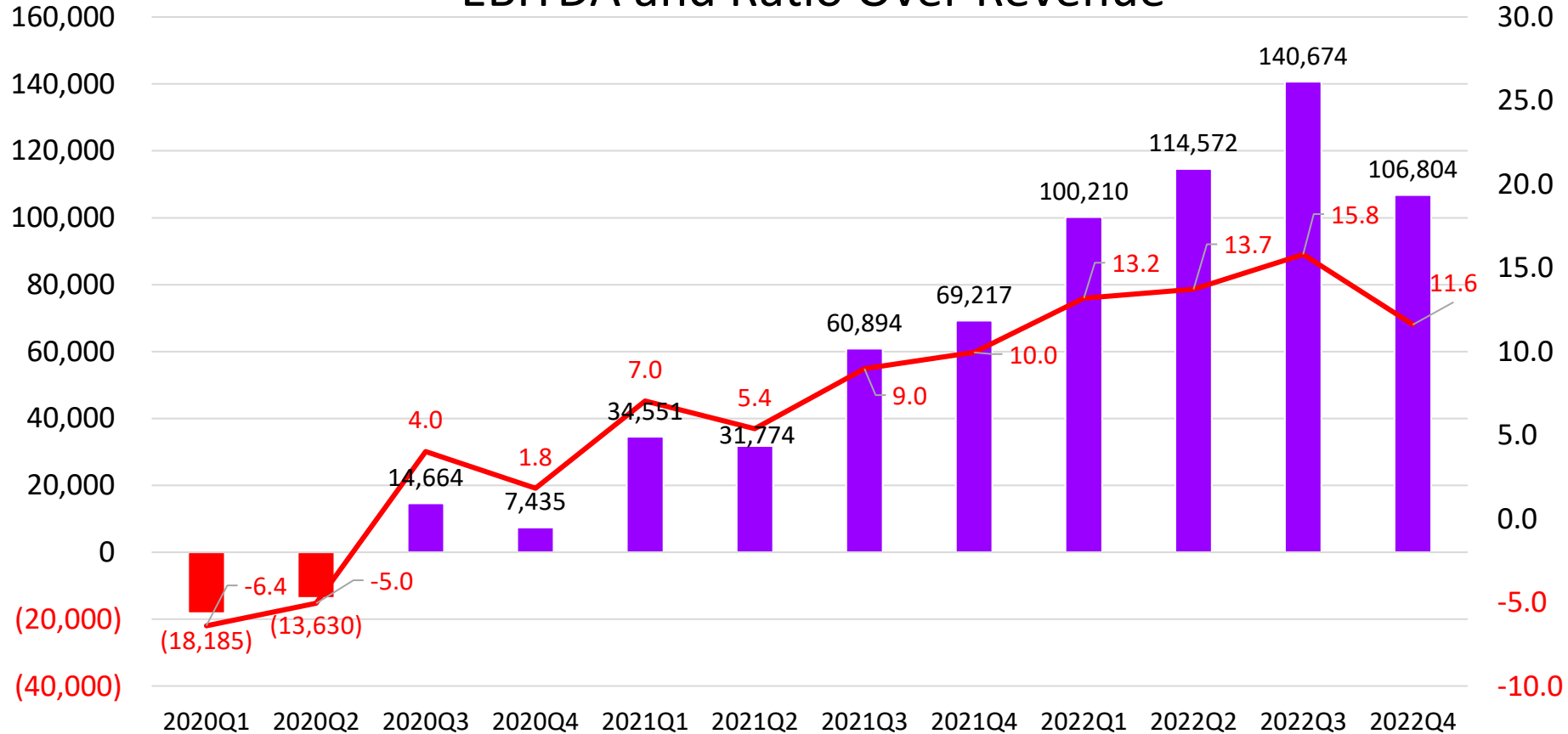


## Quarterly OPEX and Ratio

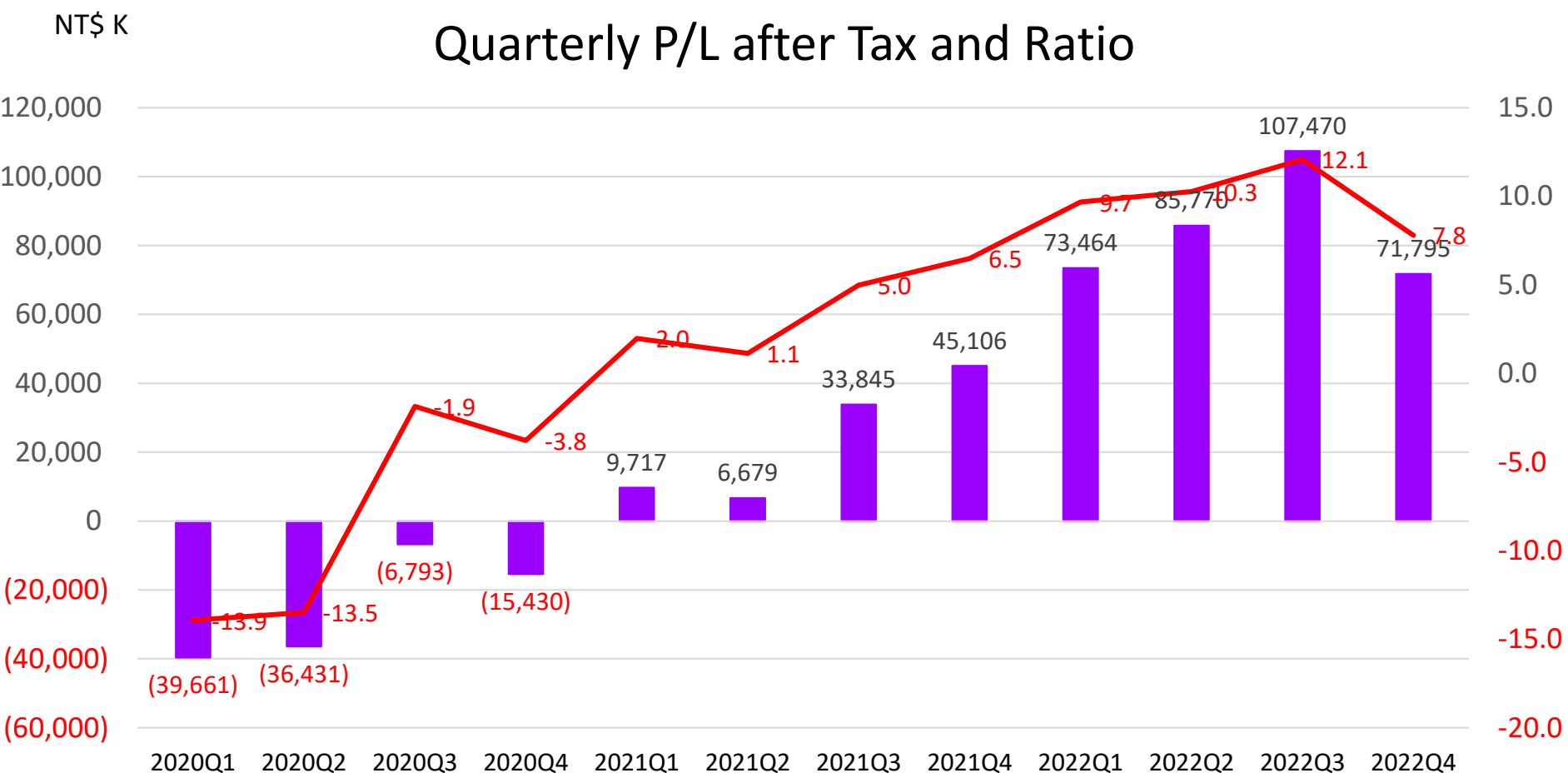




## EBITDA and Ratio Over Revenue

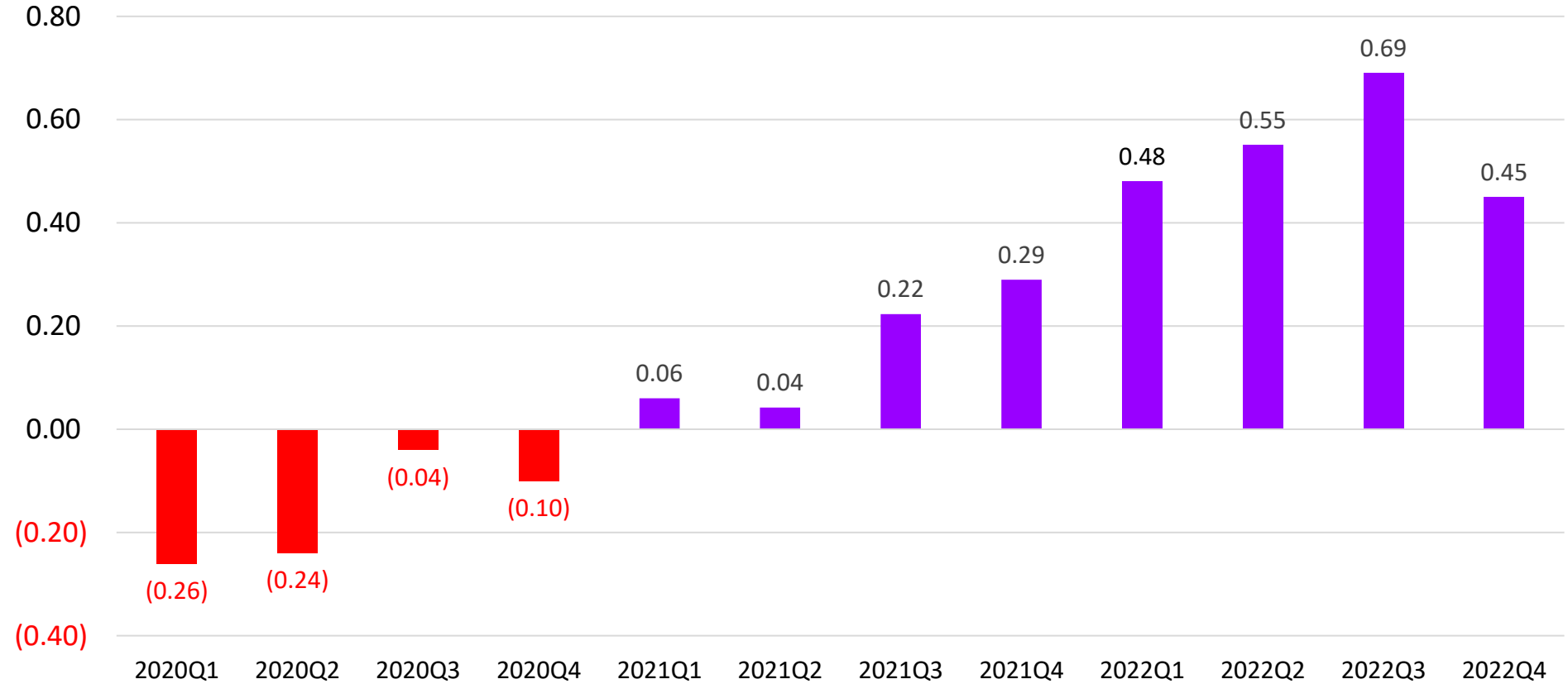


# Profit (Loss) after Tax



NT\$/Share

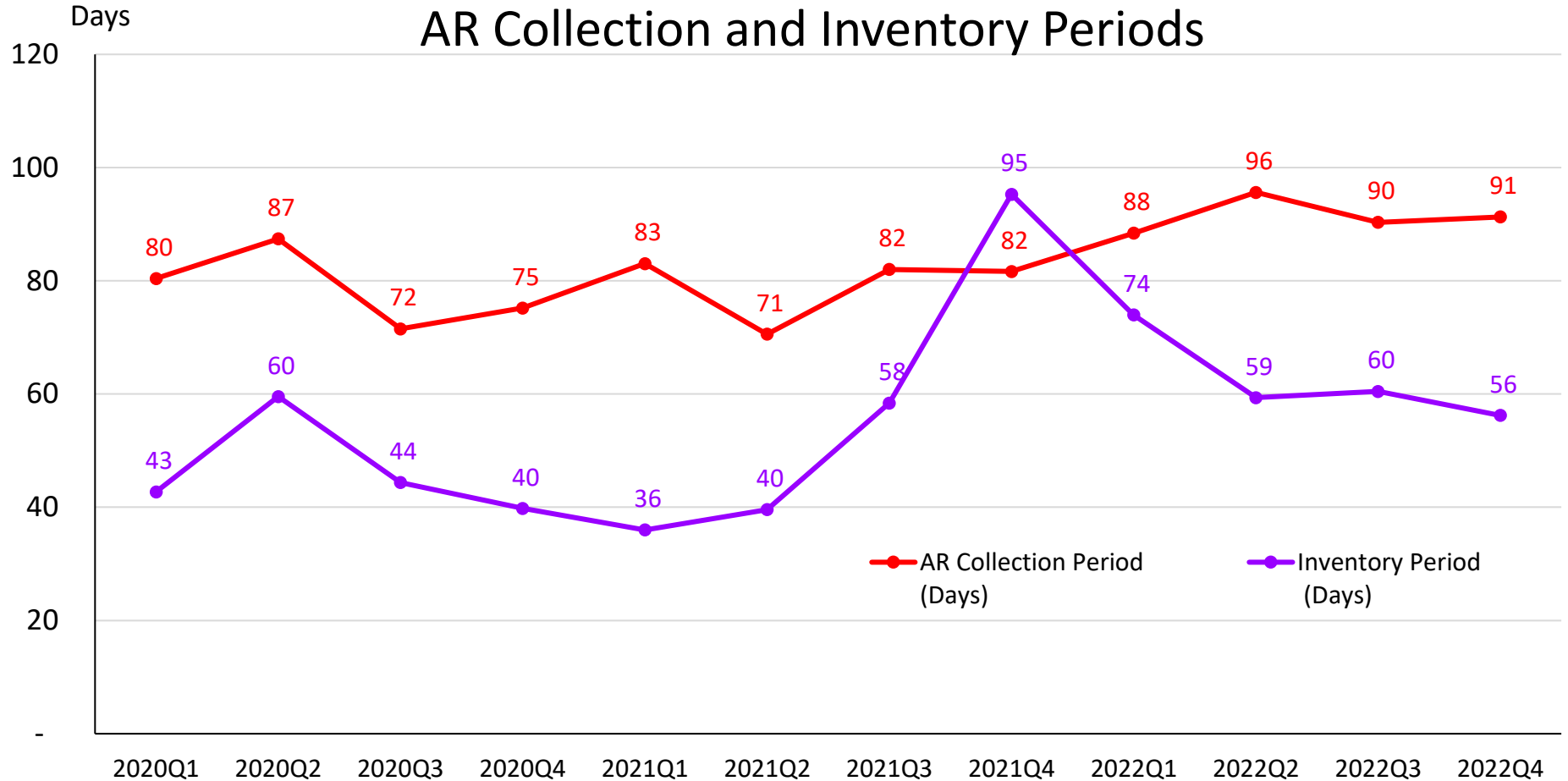
## Quarterly EPS





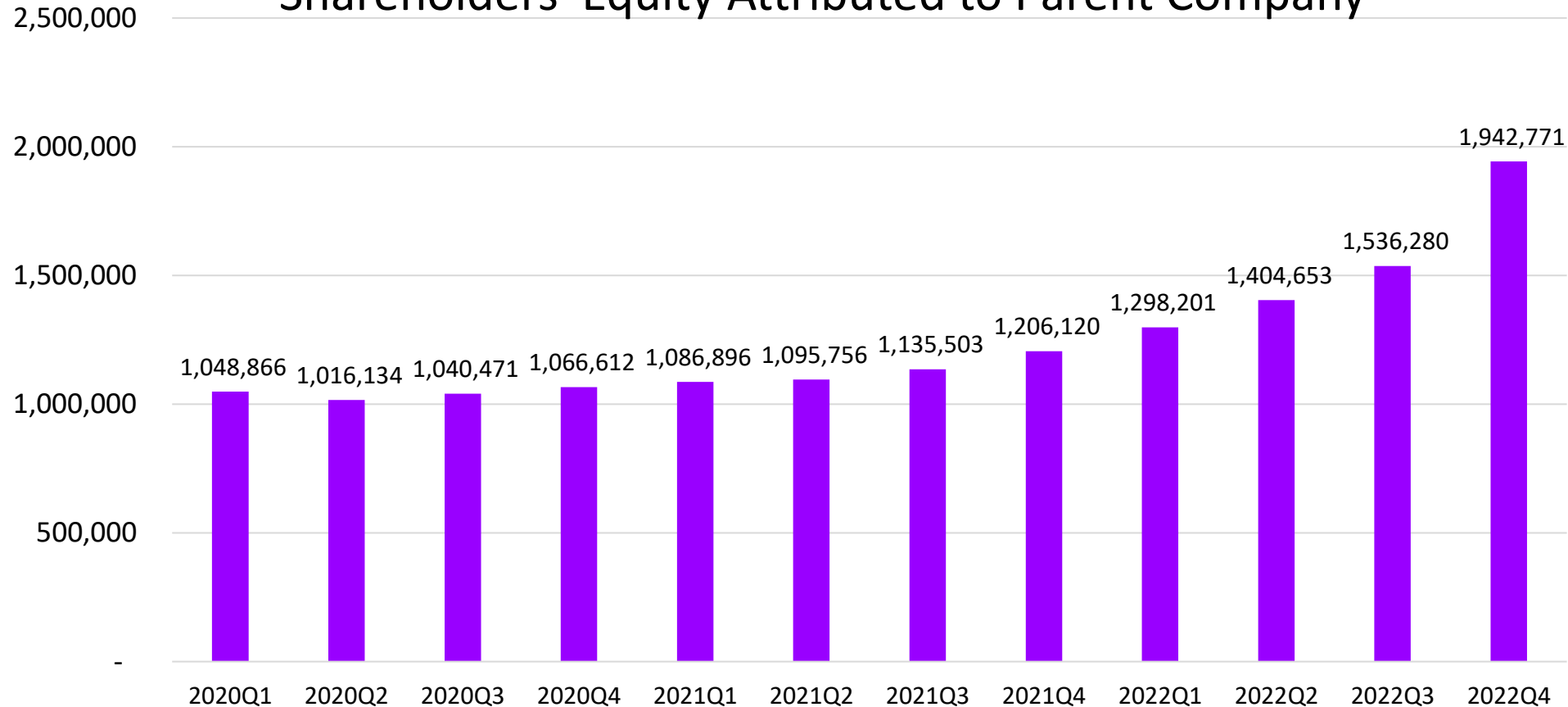
# AR and Inventory Turnover

## AR Collection and Inventory Periods



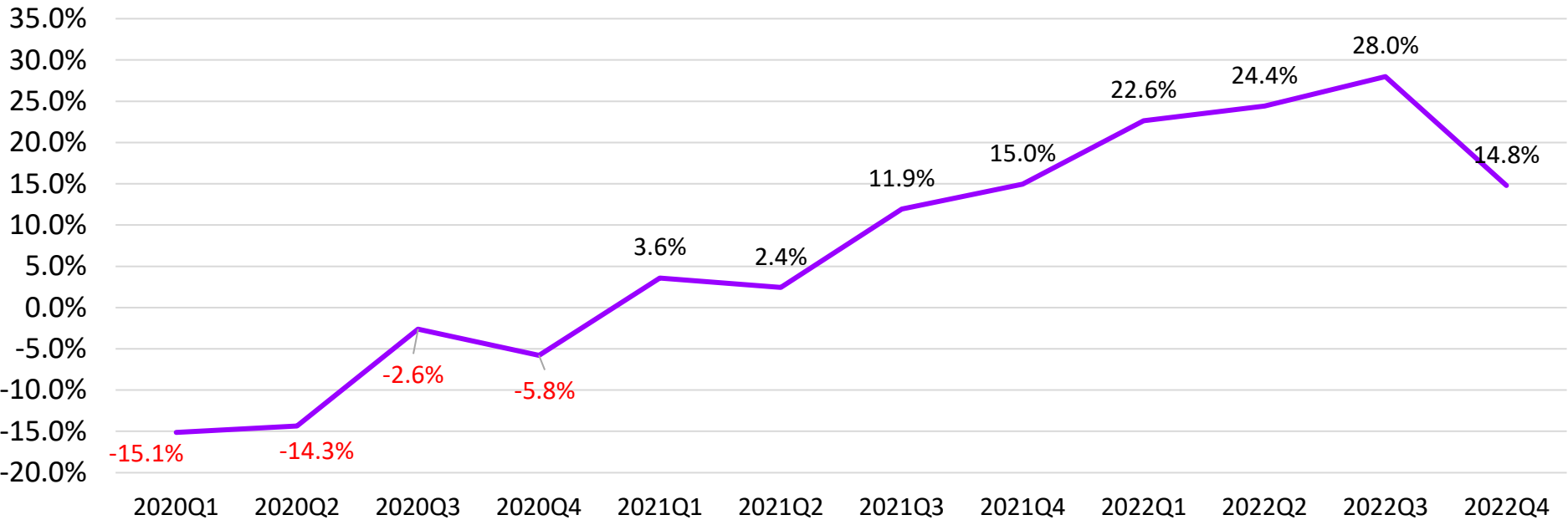
## Shareholders' Equity Attributed to Parent Company

NT\$ K



# Return on Equity

## Quarterly ROE



Dupont Analysis	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
OE	-15.1%	-14.3%	-2.6%	-5.8%	3.6%	2.4%	11.9%	15.0%	22.6%	24.4%	28.0%	14.8%
et Margin	-13.9%	-13.5%	-1.9%	-3.8%	2.0%	1.1%	5.0%	6.5%	9.7%	10.3%	12.1%	7.8%
ssset Turnover*	0.71	0.69	0.91	0.75	0.85	0.94	1.01	0.96	1.11	1.10	1.11	1.03
quity Multiplier	1.52	1.54	1.55	2.04	2.11	2.29	2.36	2.41	2.11	2.16	2.09	1.84

\*Annualized Quarterly Number



## Business Growth Strategies



Sysgration  
Overview

# Sysgration at a Glance



**1977**  
Founded



**550+**  
Worldwide  
Employees



**40+**  
Years  
Design &  
Manufacturing  
Service Experiences



**4**  
Locations  
Taiwan - Taipie/NanKang  
China - Huizhou/ZhenJiang



**5309**  
TW Stock  
Publicly Trade  
Capital: NT\$1.6 B  
Market Value NT\$7.3 B





# Focused Market and Product Portfolio

## Automotive Solutions

## Power and Energy Management



Wireless Camera  
Around-View System



Tire Pressure  
Monitoring Systems



Rugged Head-Mount  
AR Device




Li-Ion Battery Pack  
for Semiconductor Fab



Li-Ion Based  
Energy Storage Systems

100+ Patents

40+ Patents



Body Control Module  
Industrial PC



Infotainment  
System




EV Battery Pack



Li-Ion Based  
Energy Brick



Construction/Agriculture Vehicles  
CAGR ~12% by 2025



Electric Vehicles  
CAGR ~80% by 2025



Semiconductors  
CAGR ~25% by 2025



Renewable Energy Storage  
CAGR ~28% by 2025



# Certificates

## Quality Management System



ISO 9001



IATF 16949



VDA 6.3

## Safety Management System



ISO 26262-2  
ISO 26262-7



ISO 40051

## Hazardous Substance Management System



RoHS



IECQ QC080000

## Environmental Management System



ISO 14001

## Standard Development for Electrostatic Discharge



ANSI ESD S20.20-2021





# Business Growth Drivers



# Future Business Growth Drivers

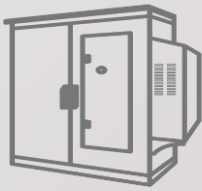


**TPMS**

- OE
- Replacement
- Fleet

- Semiconductor Fab
- Community
- Data Center

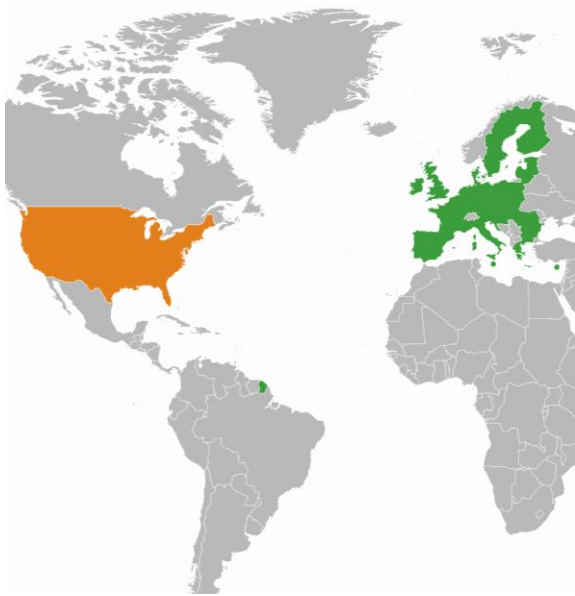
**ESS**



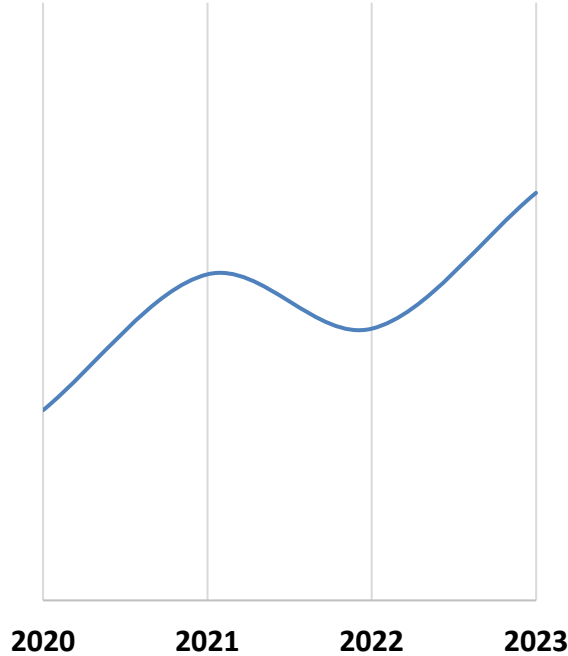
**IPC**

- Commercial Vehicle
- Industrial Vehicle
- Rugged Tablet

## OE



## Replacement



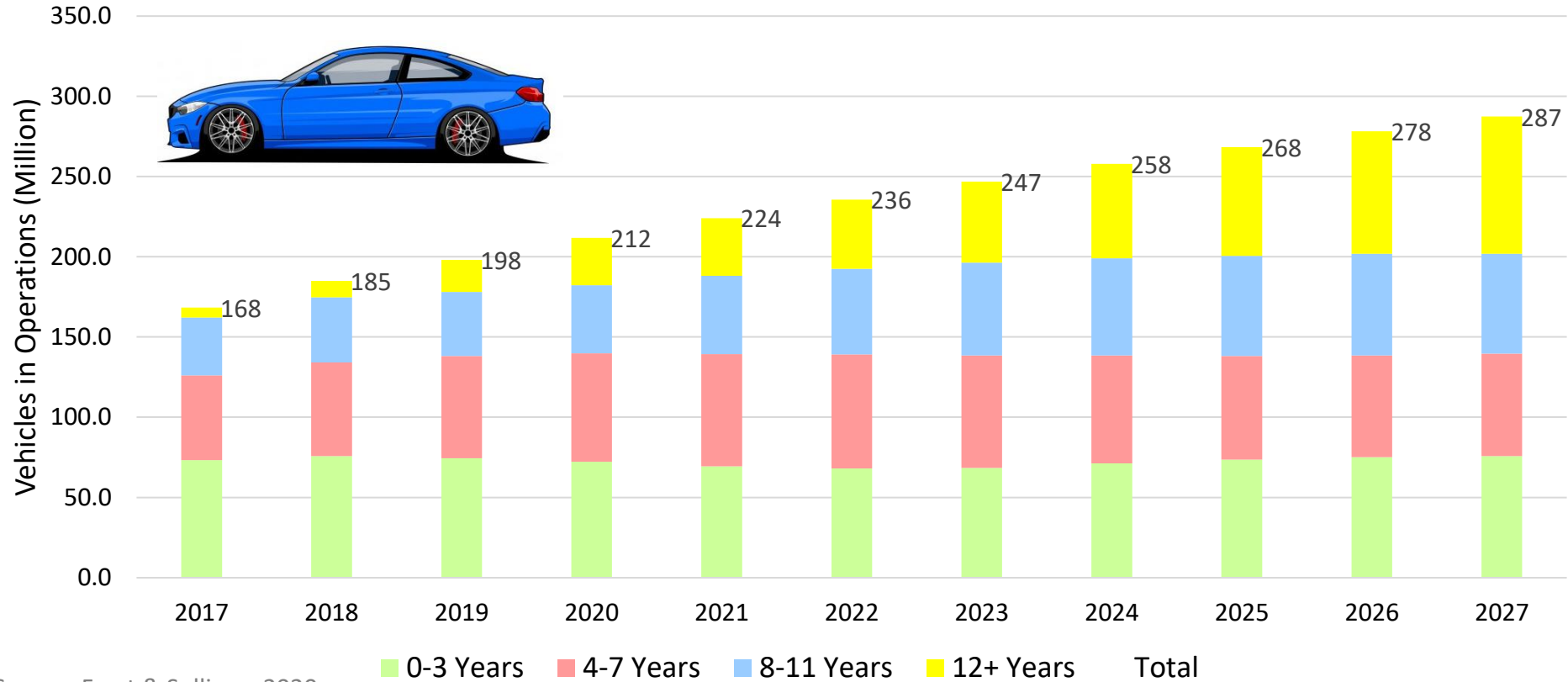
## Fleet/Tire

### Top 10 Most Valuable Tire Bands

- |                |         |
|----------------|---------|
| 1. Michelin    | France  |
| 2. Bridgestone | Japan   |
| 3. Continental | Germany |
| 4. Dunlop      | US      |
| 5. Goodyear    | US      |
| 6. Pirelli     | Italy   |
| 7. Hankook     | Korea   |
| 8. Yokohama    | Japan   |
| 9. Sumitomo    | Japan   |
| 10. Linglong   | China   |

# US Vehicles in Operation with TPMS Legislation

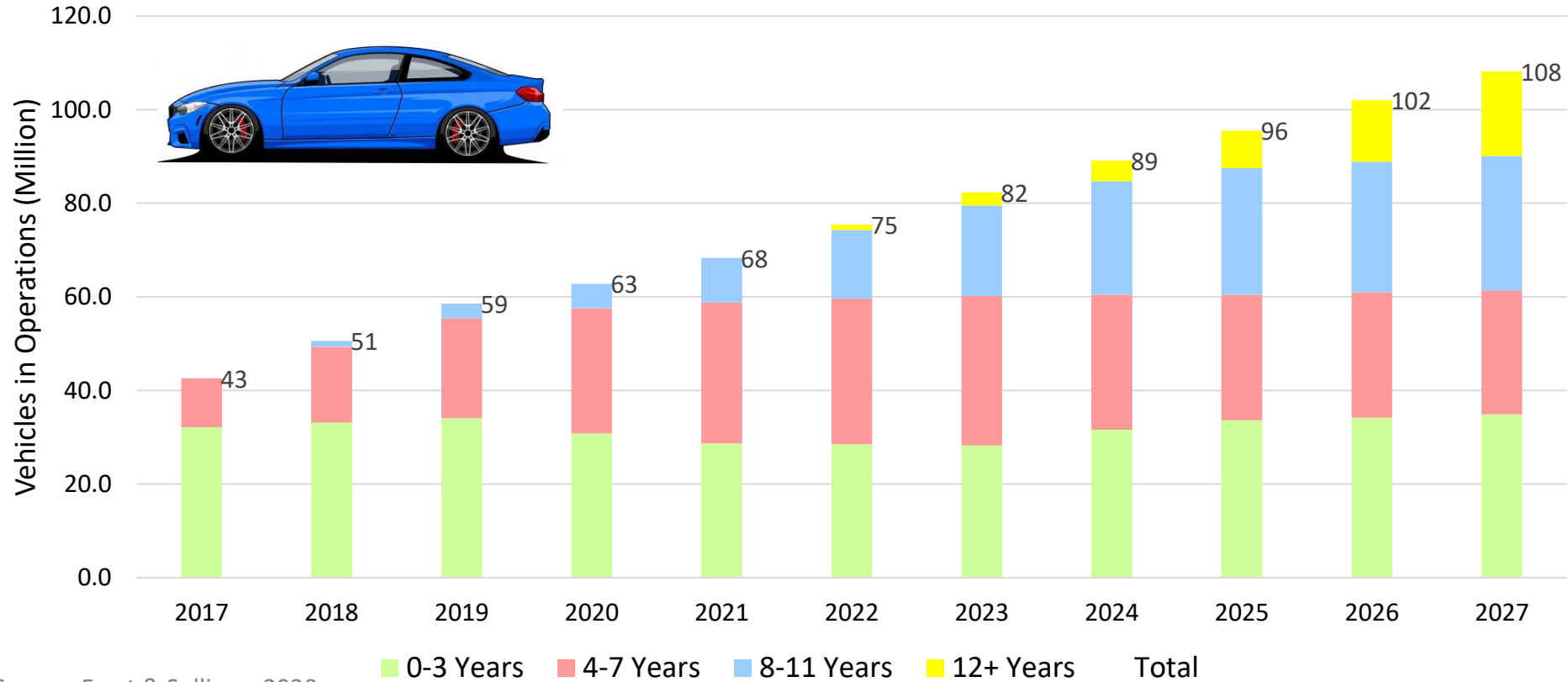
## US TPMS Sensor Installation by Vehicle Age



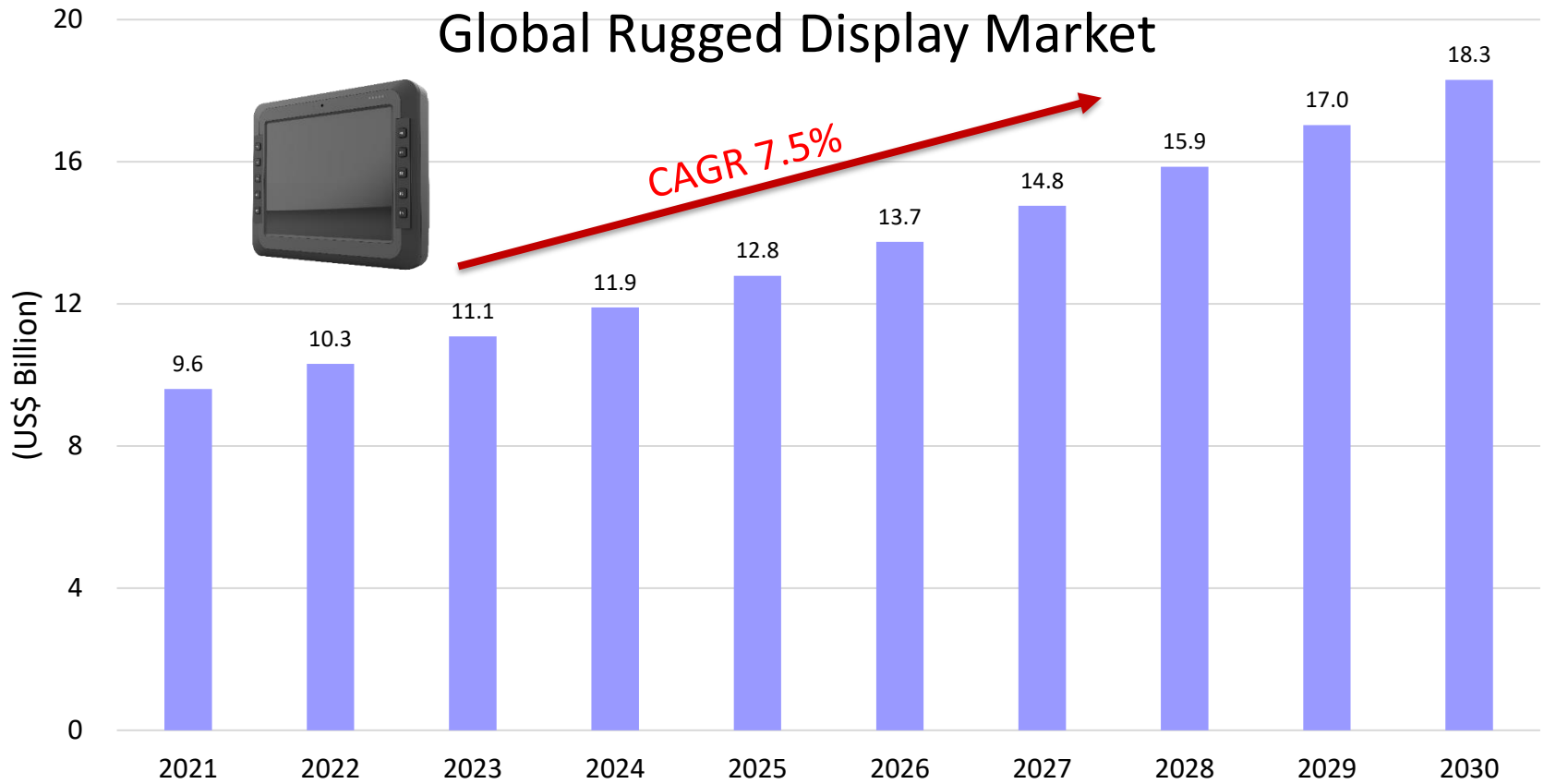
Source: Frost & Sullivan, 2020

# EU+UK Vehicles in Operation with TPMS Legislation

## EU + UK TPMS Sensor Installation by Vehicle Age

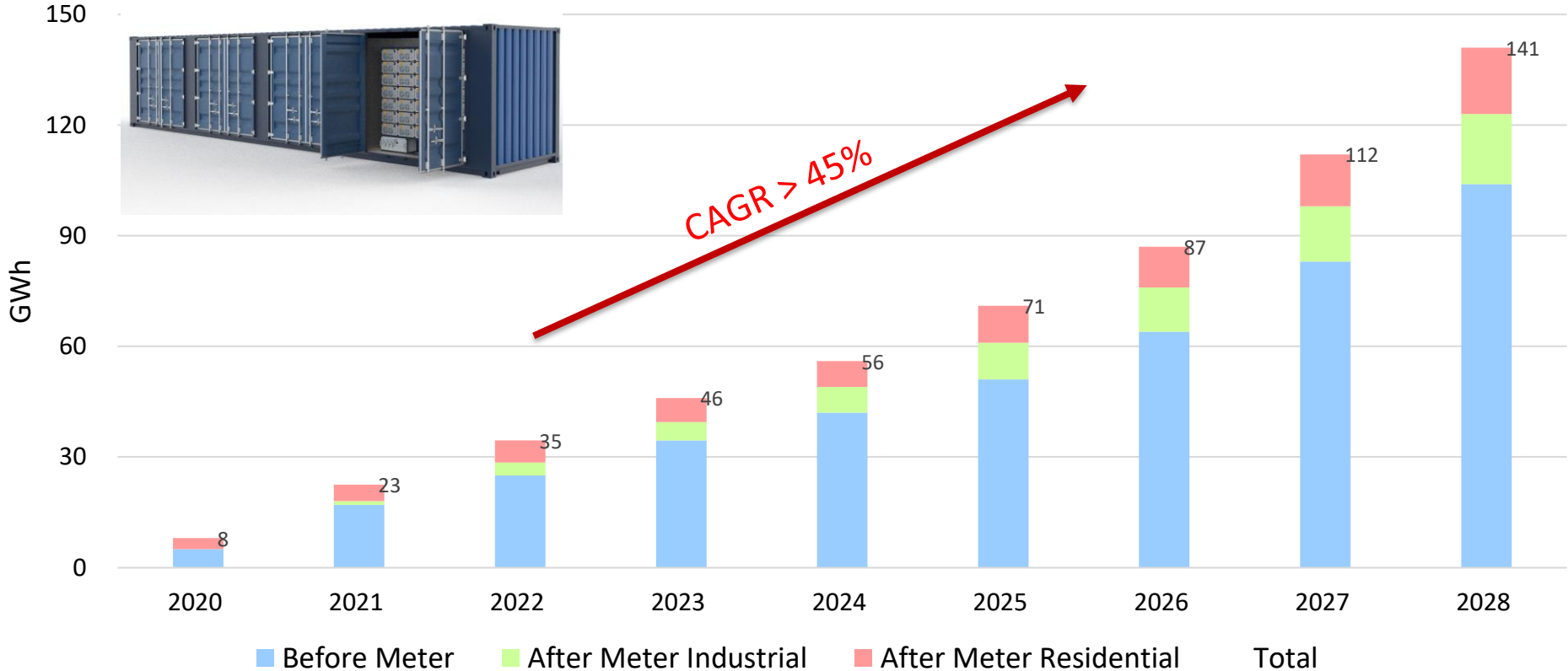


Source: Frost & Sullivan, 2020



Source: [www.precedenceresearch.com](http://www.precedenceresearch.com)

## Global Energy Storage Market

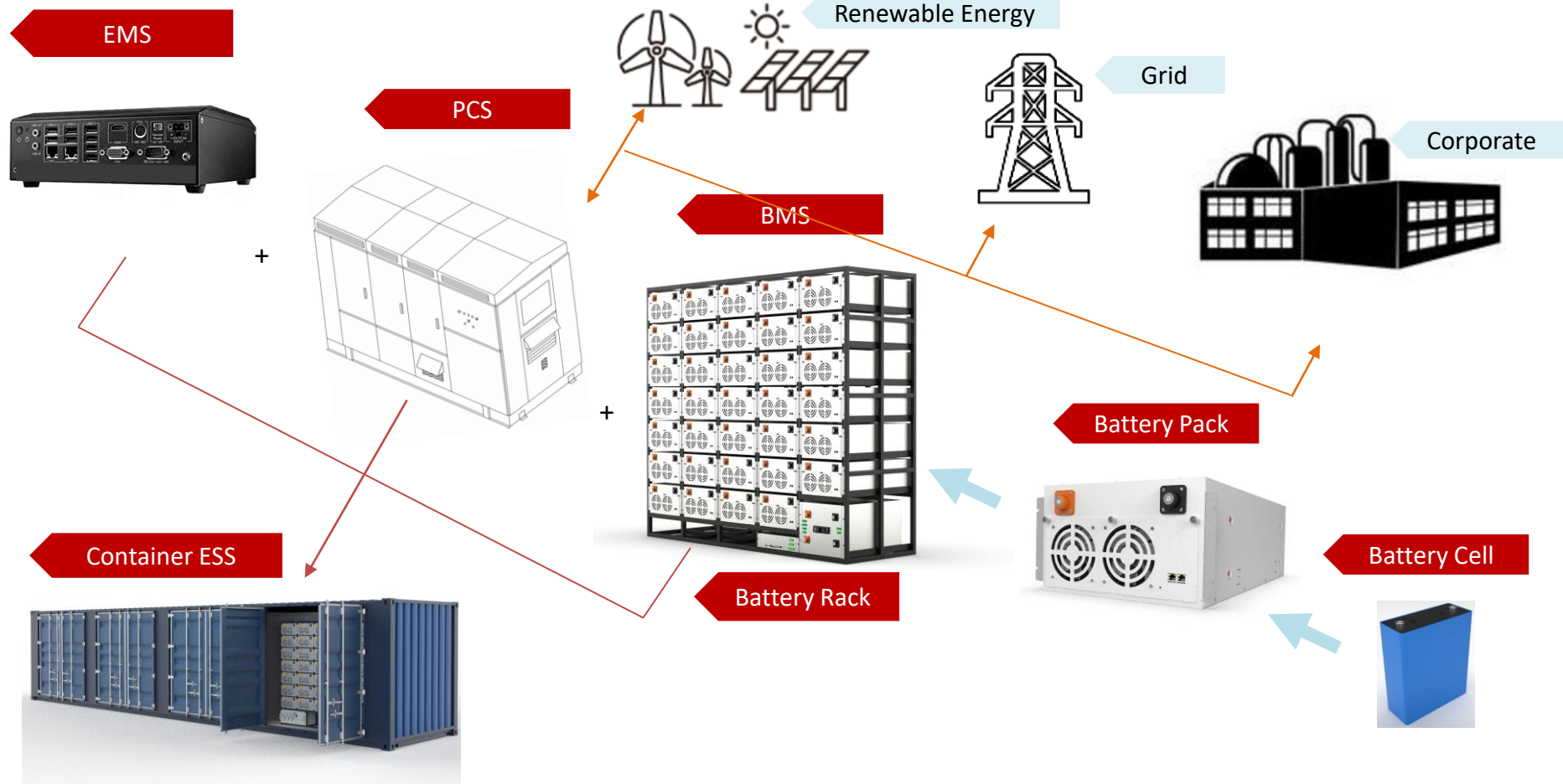


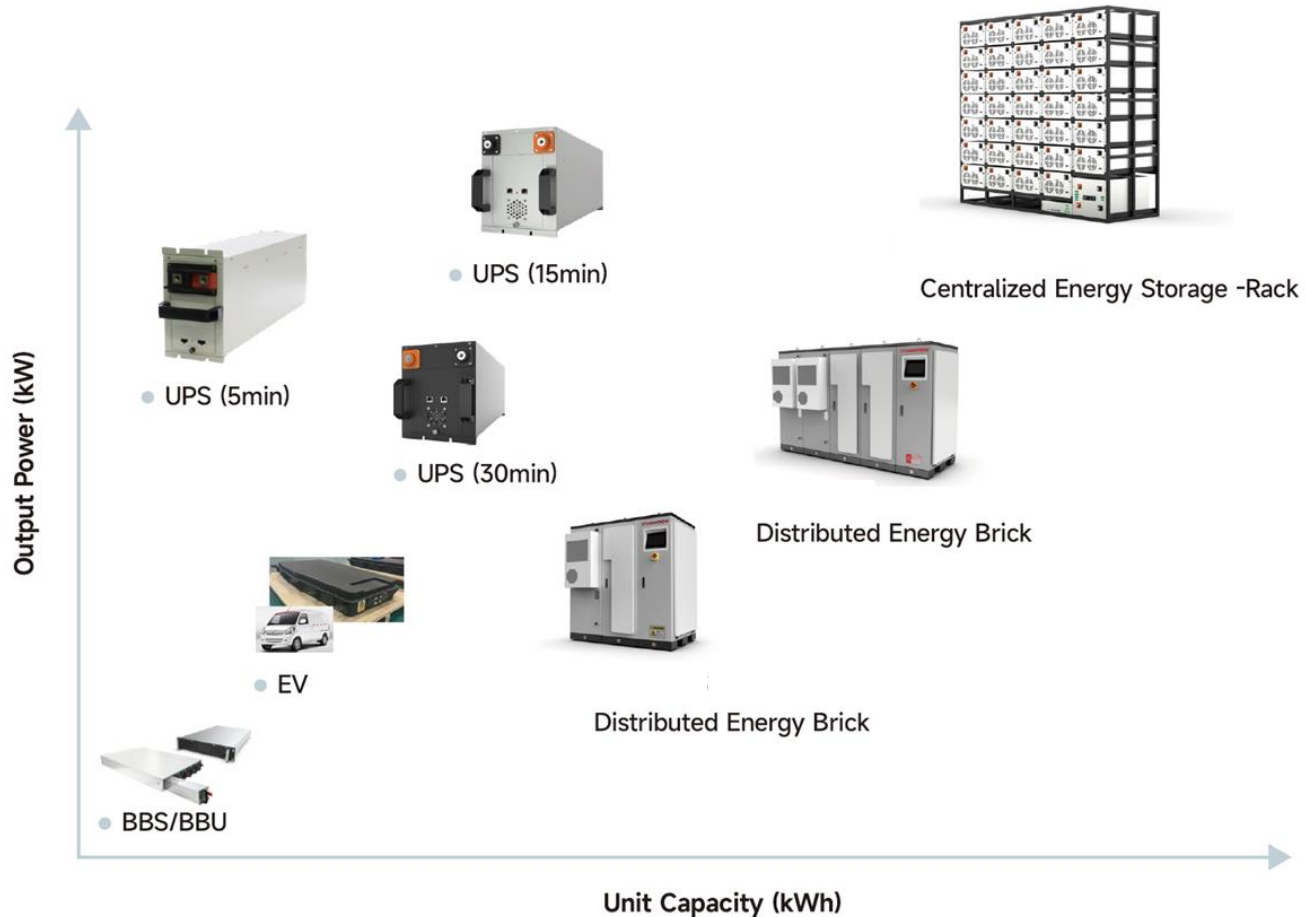
■ Before Meter   ■ After Meter Industrial   ■ After Meter Residential   Total

Source: Statista InfoLink



# ESS Application Scenarios





- ◆ Enhance Competitive Advantages and Operation Performance.
- ◆ Sysgration ESS BU → Power Tank Energy Ltd.
- ◆ Focus on Business Expansion on Green Energy Market Opportunities
- ◆ 40,388K Shares, 100% → Sysgration (No Impact to Shareholders)
- ◆ Proposing to 4/27 Shareholder Meeting for Approval
- ◆ Targeted Record Date of the Split: 2023/6/30



Global Operation  
Expansion

# SYSGRATION Global Footprint

Headquarter with majority of R&D located in Taipei, Taiwan.

Multiple production bases including 2 located in China, and 1 Taiwan.

Each factory is fully equipped for full system production (from PCBA SMT/DIP to full unit Assembly/Test/Packing).

Flexible to allocate production resources to meet different logistic needs.



## Sysgration Headquarter

**Location:** Neihu, Taipei, Taiwan

**Sales/R&D/PM/SCM**



## Sysgration Huizhou Factory (HZS)

**Location:** Huizhou, Guangdong, China

**TPMS, UPS**



## Sysgration Nankang Factory (NKS)

**Location:** Nankang, Nantou, Taiwan

**TPMS, IPC, Power Supply**



## Sysgration Zhenjiang Factory (ZJS)

**Location:** Zhenjiang, Jiangsu, China

**ESS, Li-Ion Battery Pack**



High Speed SMT Line



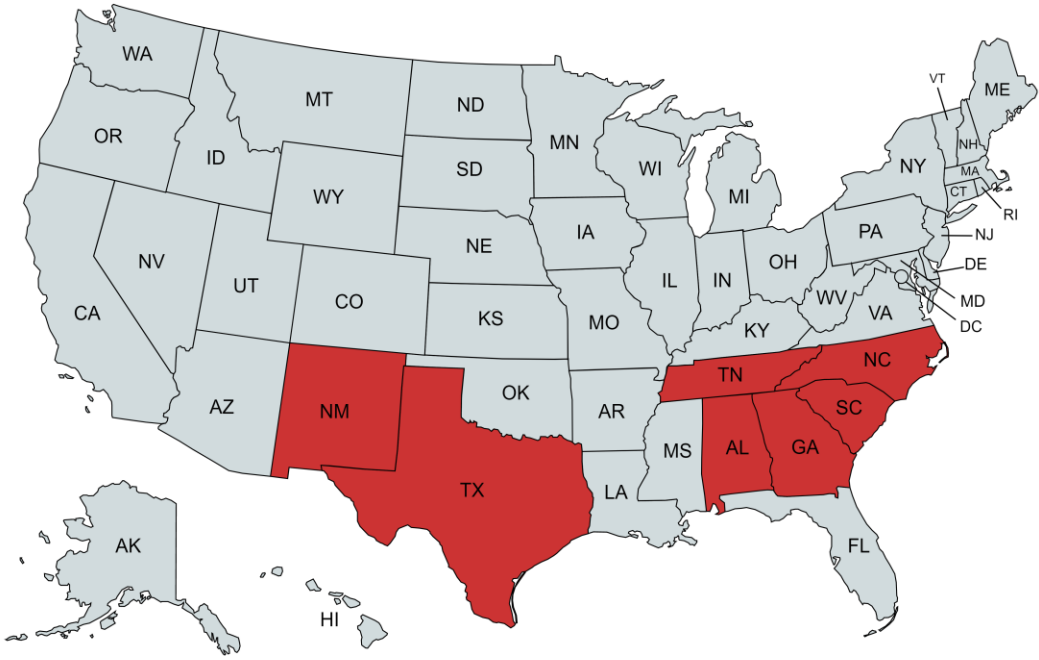
Auto Insertion Line



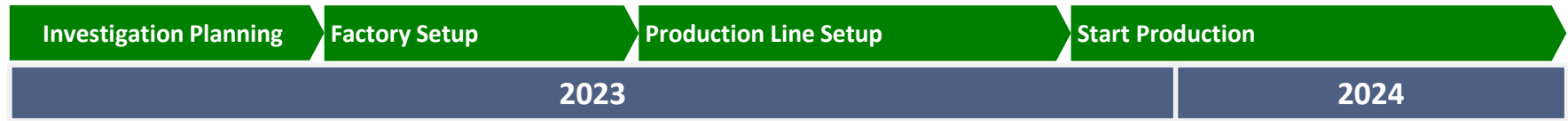
Automatic TPMS Production Line

# Global Footprint Extension Plan





- **Investment Amount:** US\$15M
- **Building Area:** 150,000~300,000 ft<sup>2</sup>
- **Production Line:** PCBA & Automation Assembly
- **Product Line:** TPMS 2024, IPC & ESS 2025

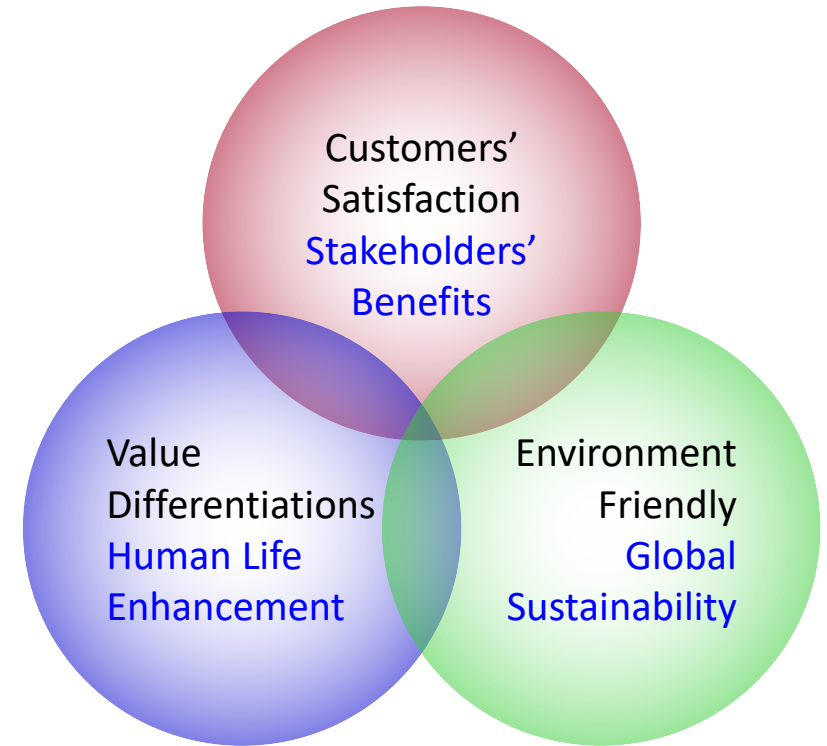




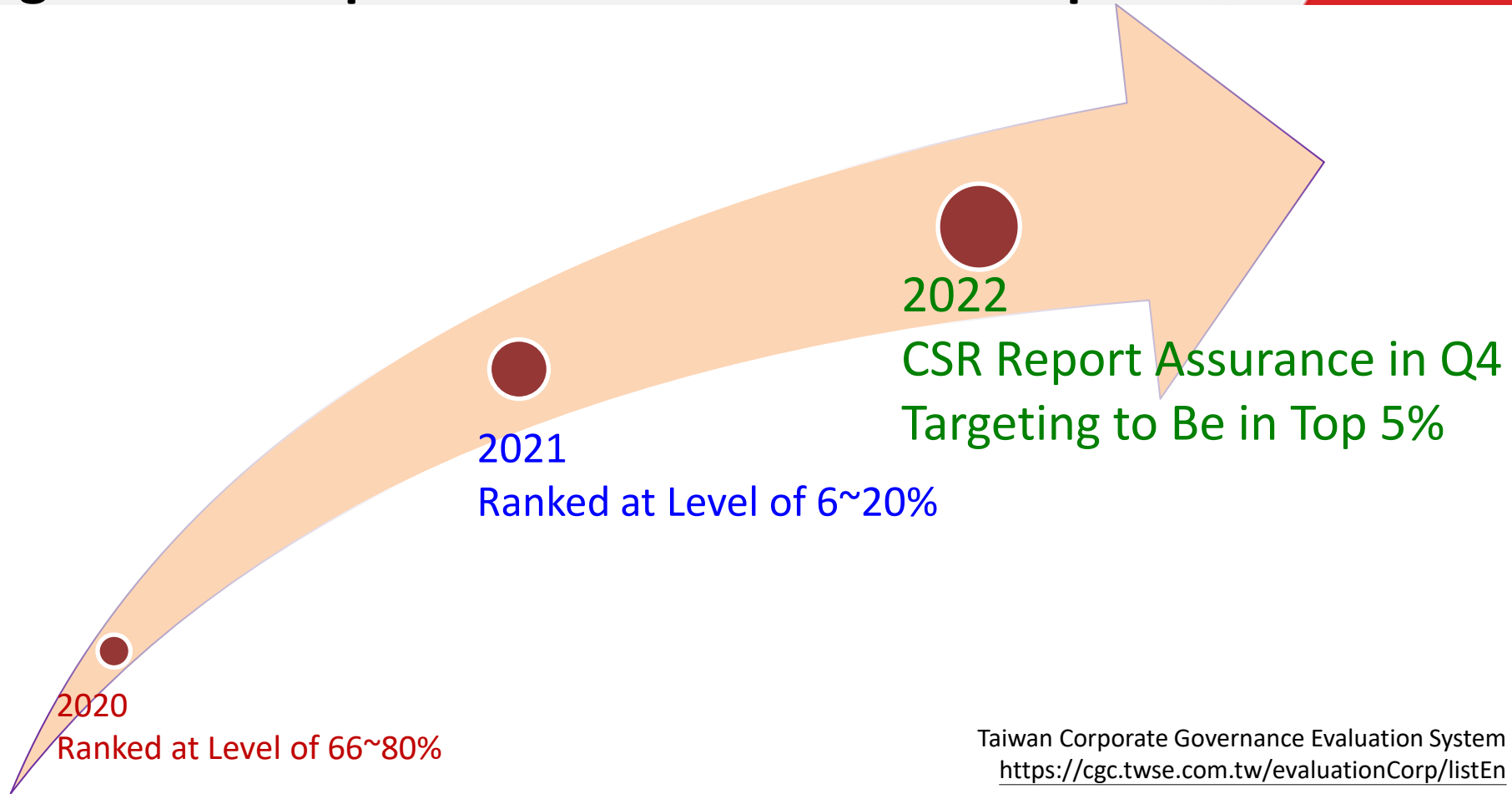
# Global Sustainability



- ◆ Light-Weight Solutions
- ◆ High Added Values
- ◆ High Efficiency
- ◆ Energy Saving
- ◆ Low Carbon Emission
- ◆ Battery Rejuvenation



Sysgration integrates sustainability into business practices for human life enhancement, that will benefit profitability of the company.



# 2021 ESG Report



### Message from the Chairman

In the face of drastic changes of global climate change, social development, and market competition, all have caused more social responsibilities and address weather phenomena. Sysgration is deeply aware that when an enterprise pursues growth and performance, besides ensuring its own competitiveness in operations and market status, it is also necessary to fulfil its corporate social responsibilities and seek harmonious development and balance of interests among corporate governance, environmental protection and social participation.

Since the establishment, Sysgration has adhered to the corporate core values of "Integrity, Passion, Commitment, and Innovation". We have invested in the field of innovative electronic products and energy storage equipment, accumulated professional professional technical experience and customer base, and we continue to provide excellent-quality products to meet the market with high quality and professional services. Particularly our products in the field of energy storage equipment can provide complete solutions for the various climate change problems currently being global 2021 year full challenge for Sysgration. The "GDPR" standards, carbon, and the economic and business environment is difficult. Under such circumstances, we have conducted a high level of meeting with the joint efforts of the Company's management and all employees, the consolidated operating revenue of Sysgration in 2021 has reached an all-time high.

Based on corporate governance as the foundation of sustainable development of an enterprise, Sysgration implements the principle of corporate governance and transparently discloses the Company's operating information to protect the rights and interests of stakeholders. In 2021, Sysgration was named with the top 4-5th of annual companies in the "Sustainable Governance Developer" of the Nasdaq Stock Exchange. Furthermore, Sysgration has established the norms for Ethical Corporate Management and Ethical Code of Conduct, by proposing annual training programs and requiring all employees and suppliers to sign the integrity commitments, we ensure all colleagues of Sysgration and suppliers can comply with the principles of integrity and ethics. We will continue to follow up corporate governance activities, promote sustainable development strategies that protect the rights and interests of important stakeholders including employees, customers, communities, and shareholders by pursuing sustainable development and continuous growth of corporate operations.

In terms of environmental protection, Sysgration has been obtaining the trend of the international energy industry for a long time. After the establishment of the Energy Storage Business Division in 2021, Sysgration has developed and strengthened the energy saving benefits of products, and developed innovative products with low energy consumption, safety

and health, in order to cope with the challenges and opportunities of climate change. We have 2021 on the base year to implement energy saving programs in the form of each operating unit, through a series of environmental protection energy saving, and carbon reduction actions, to gradually improve the energy efficiency of scientific consumption, lower the Company's greenhouse gas emissions, and reduce the occurrence of the greenhouse effect.

While pursuing sustainable operation, Sysgration also pretends to provide employees with a safe working environment and proper training and benefits, actively implement talent training and development, and create a diverse, inclusive, and friendly workplace. In terms of social participation, Sysgration contributes to the society through three aspects of industry-academia collaboration, internship programs, and emergency relief, to provide the local communities or disadvantaged groups with the assistance they need.

Facing the uncertainties in the post-pandemic era, Sysgration incorporates ESG (Environmental, Social and Corporate Governance) into our new strategic planning and risk management framework, and continuously improves our business operations to face resilience and opportunities to realize ESG performance, and actively respond to the current situation on the ESG actions. We attach great importance to the ESG actions. We attach great importance to the ESG actions. We attach great importance to the ESG actions. We attach great importance to the ESG actions.

Chairman of Sysgration  
Liu, Wei

### Milestones and Prospects

- 2011: Founded Sysgration USA in Japan
- 2012: ISO 14001 certified for the Automotive Industry Quality Management System, became the Top 1 Supplier for Garmin OEM customers, and developed the Passenger Car Run-Safe Infrastment System to Japan customers
- 2013: The Company's stock officially listed on the Taiwan Stock Exchange
- 2014: Gradually set up factories in Taiwan, and started the OEM/ODM business of Computer peripheral products
- 2015: Provided OEM service of Bluetooth (TWS) for Top Brand Customers, and sold Electric Vehicle Li-Ion Battery pack products for National Grid
- 2016: Developed the Passenger Car Run-Safe Infrastment System to Spain customers
- 2017: Developed new USA customers of BT Case Based on cases of TPMS
- 2018: Provided OEM service of Bluetooth (TWS) for Top Brand Customers, and sold Electric Vehicle Li-Ion Battery pack products for National Grid
- 2019: Completed the R&D of Being Identified Term for Foundation Construction Vehicles
- 2020: Developed new USA customers of Bluetooth (TWS) through domestic Power Supply Unit for Wireless Smart System
- 2021: Substituted Li-Ion Battery Pack to Semiconductor Fans, developed Smart Home Control System
- 2022: Completed the R&D of Being Identified Term for Foundation Construction Vehicles

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 Independent Auditor's Limited Assurance Report

## Sustainable Management

- 1.1 Mission Statement
- 1.2 Sustainable Practices
- 1.3 Materiality Analysis
- 1.4 Stakeholder Engagement

### 4 Products, Services and Patent Application

Sysgration offers for cutting-edge and diversified devices and industrial related PCs for the automotive electronics industry from design of product design including product concept feasibility study, manufacturing design, circuit board printing and testing, to stages of product production including supply chain management, logistics and maintenance. Sysgration provides customers with solutions for the full product development cycle, besides in using products only in the product development process, from customer consulting and testing, and manages the supply chain chain.

**Number of patent applications**

- 2021: 65
- 2020: 31
- 2019: 19

**Number of patent applications over the years**

- 2019: 19
- 2020: 31
- 2021: 65

**Key Products:**

- Bluetooth TWS Headset Monitoring System Bluetooth (TWS)
- Bluetooth TWS Headset Monitoring System Bluetooth (TWS)
- Battery Pack and Energy Storage System
- Wash Management
- Wash Management
- Wash Management

## Development Phase

2021-2022

### Strengthen The Foundation

1. Consolidate Perpetual Goal
2. Build up Internal Consensus
3. Evaluate and Categorization
4. Goal & Vision
5. ESG Report

## Transforming Phase

2023-2024

### Improve Sustainable Performance

1. Continuous Improvements toward ESG Goal
2. Review ESG Achievements
3. Participation Domestic ESG Benchmark

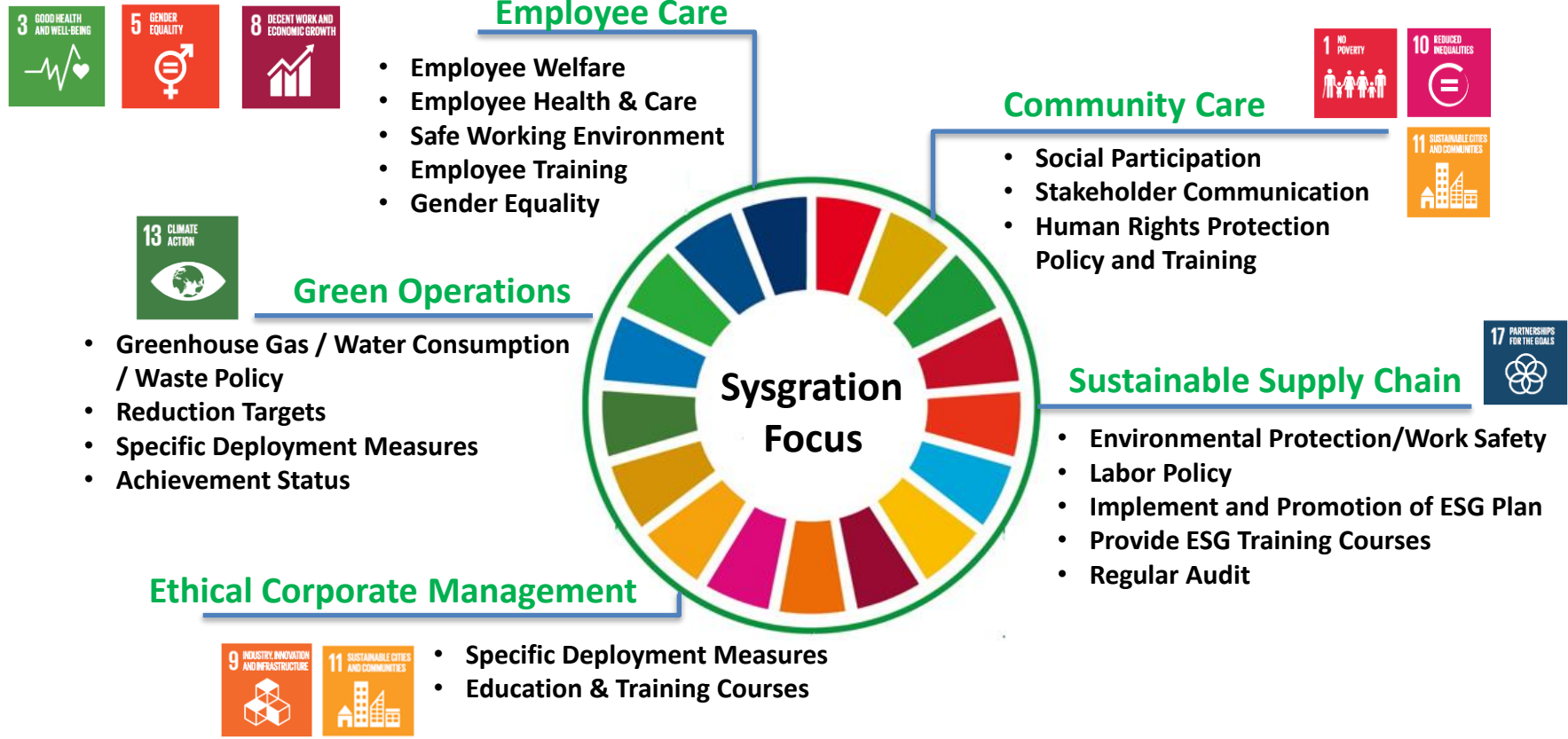
## Strategical Phase

2025-2026

### Expand Influences

1. Global ESG Benchmark
2. Building up Company Sustainability Image

Step-by-step  
Achieving the  
Goal and Vision





Q&A



The image features a blurred background of a document with text and lines. A prominent red banner is positioned at the bottom, containing the text "Thank You" in white. The banner has a slight shadow and a gradient effect. The background is out of focus, showing what appears to be a table or list of items.

Thank You