

Investor Conference

2024/6/12

Sysgration Ltd.
(TPEX: 5309)



Outline

1 2024/Q1 Operation Highlights

2 Business Growth Strategies

3 US Operation Updates

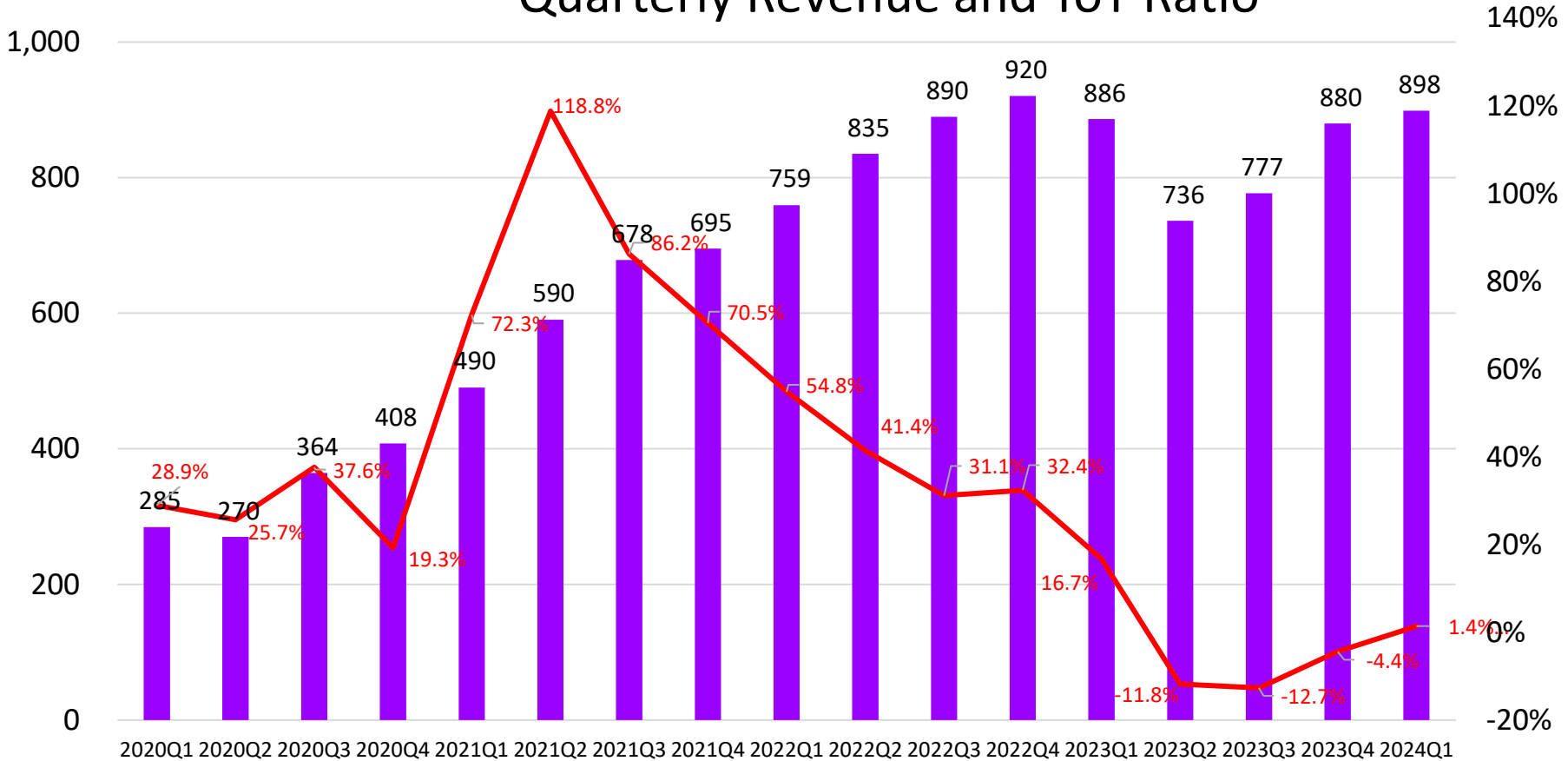
4 ESG Direction



2024/Q1 Operation Highlights

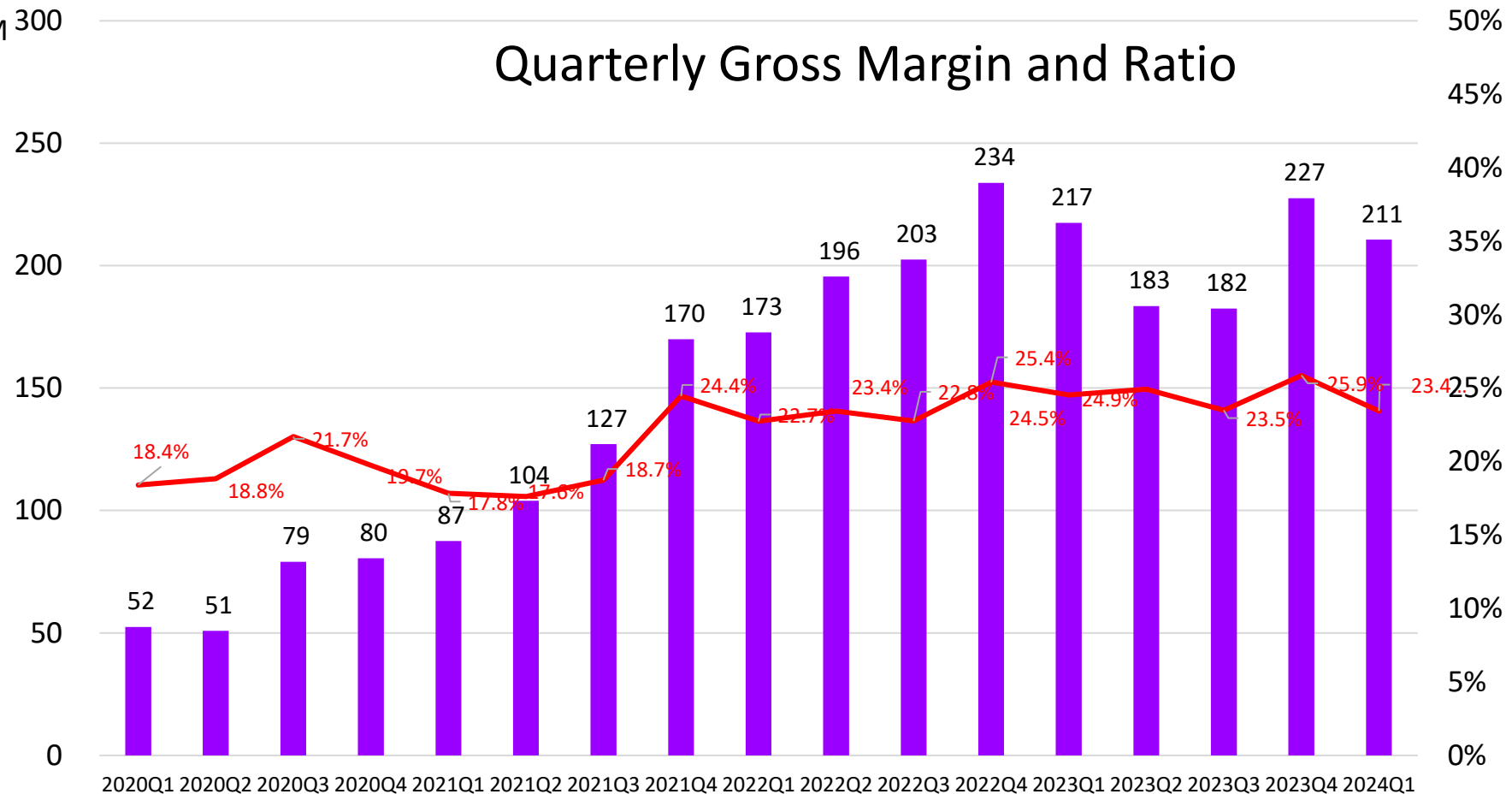
NT\$ M

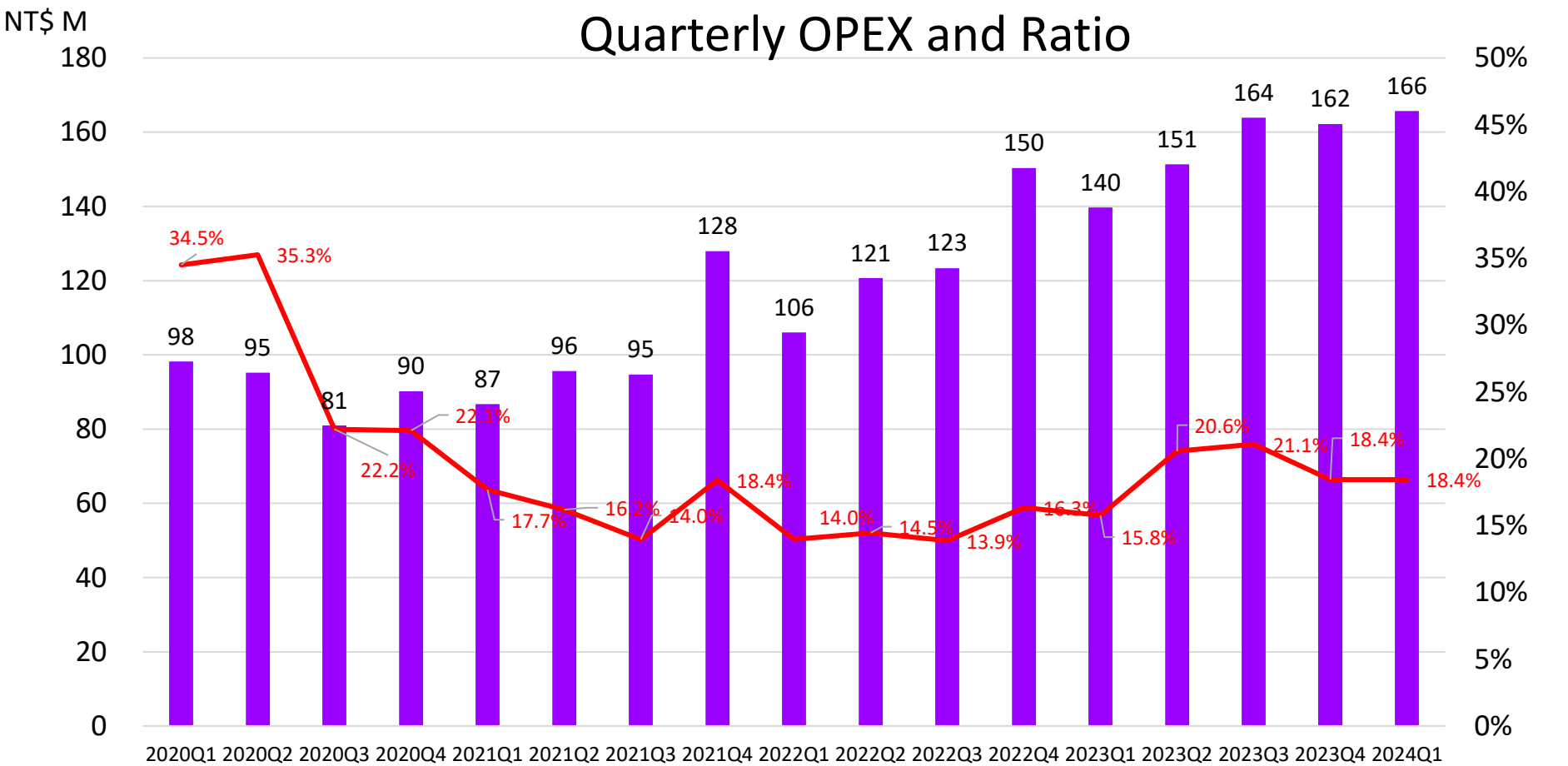
Quarterly Revenue and YoY Ratio



NT\$ M

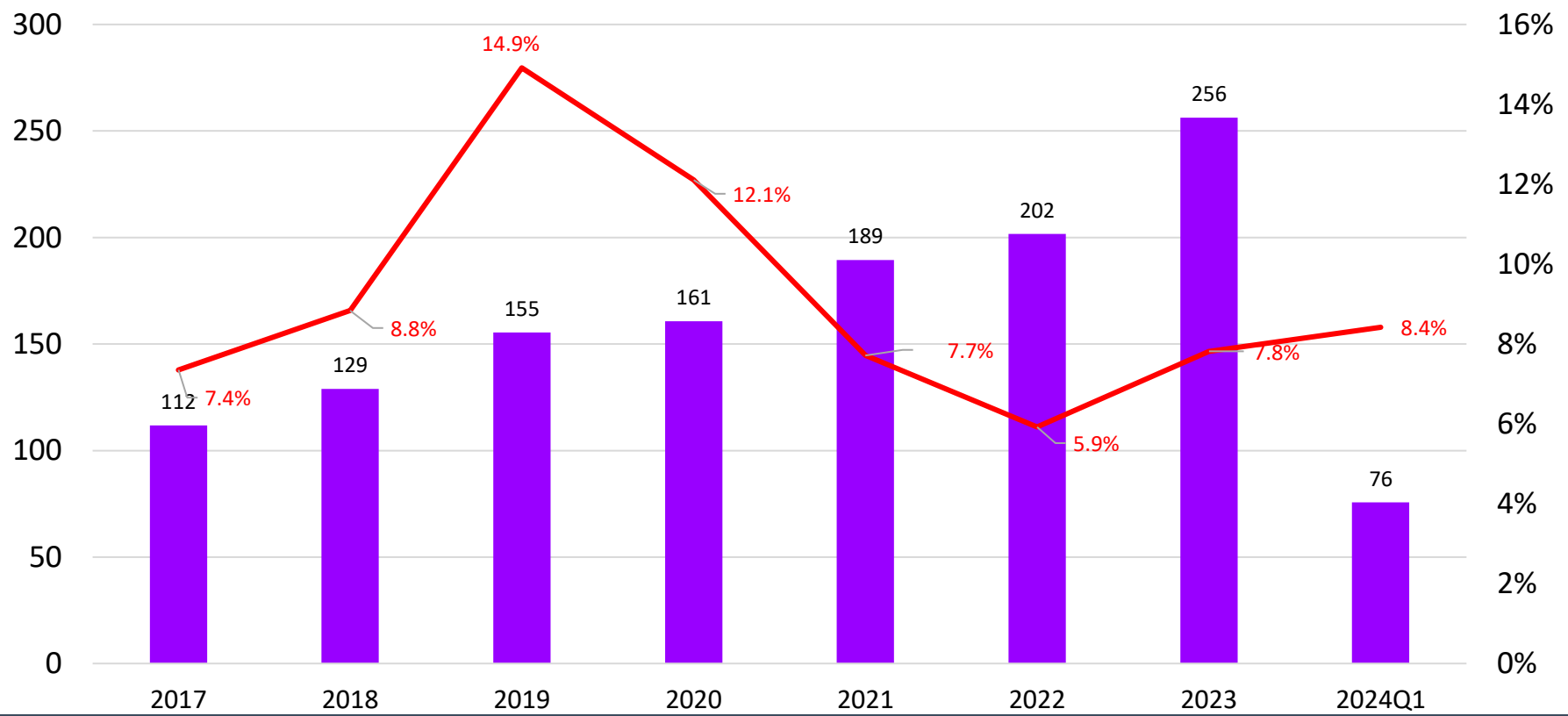
Quarterly Gross Margin and Ratio





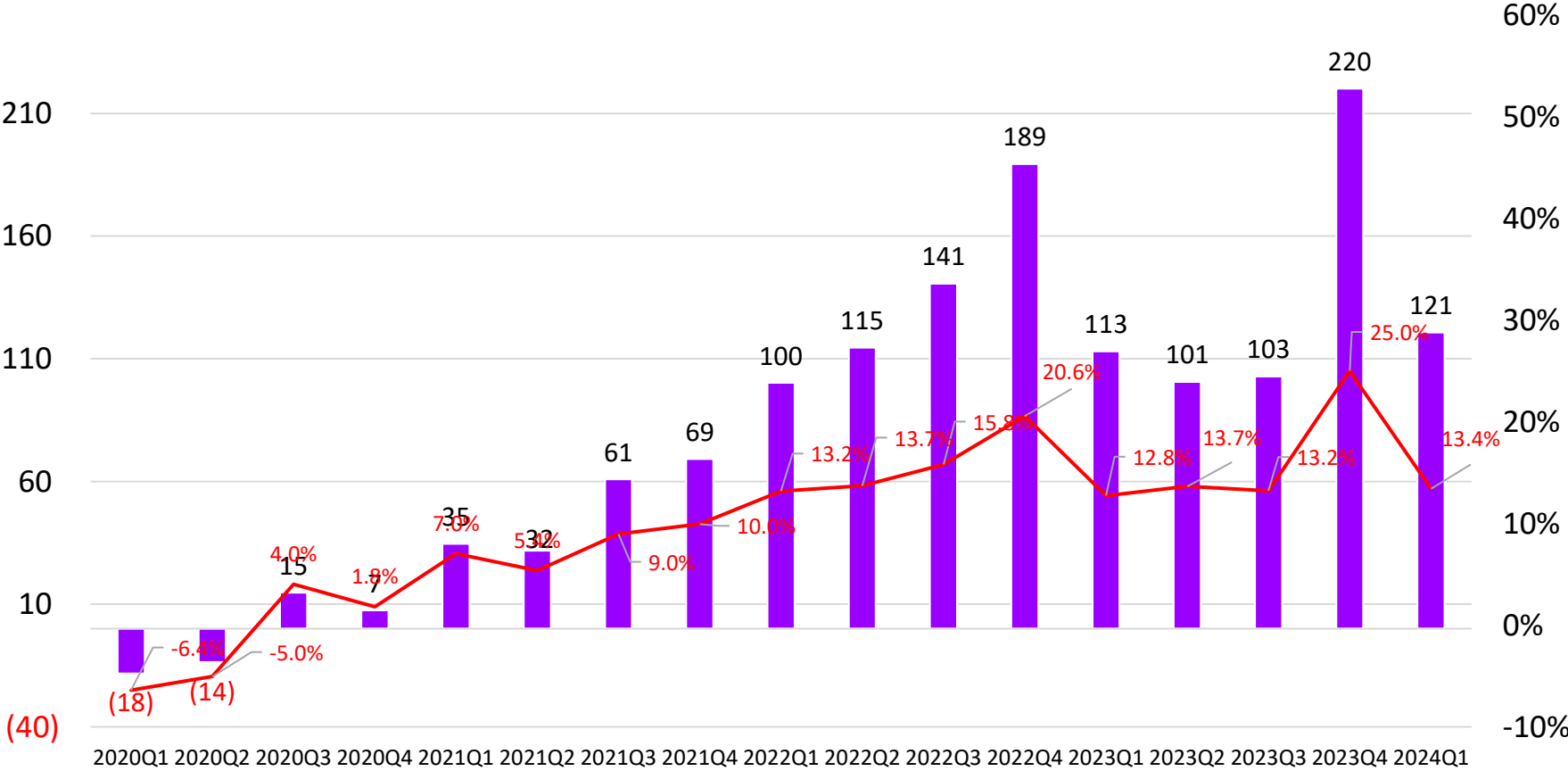
NT\$ M

RD Expense and Ratio



NT\$ M

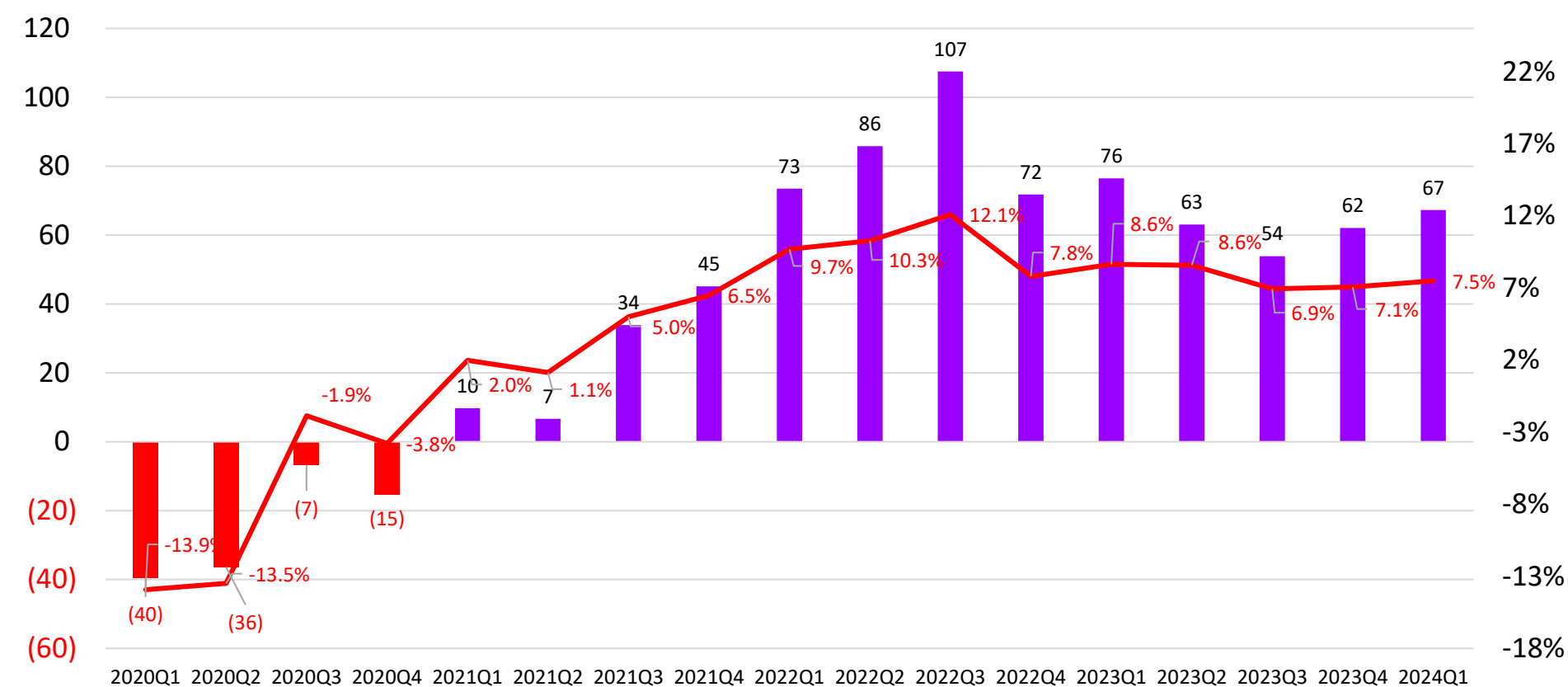
EBITDA and Ratio Over Revenue



Profit (Loss) after Tax

NT\$ M

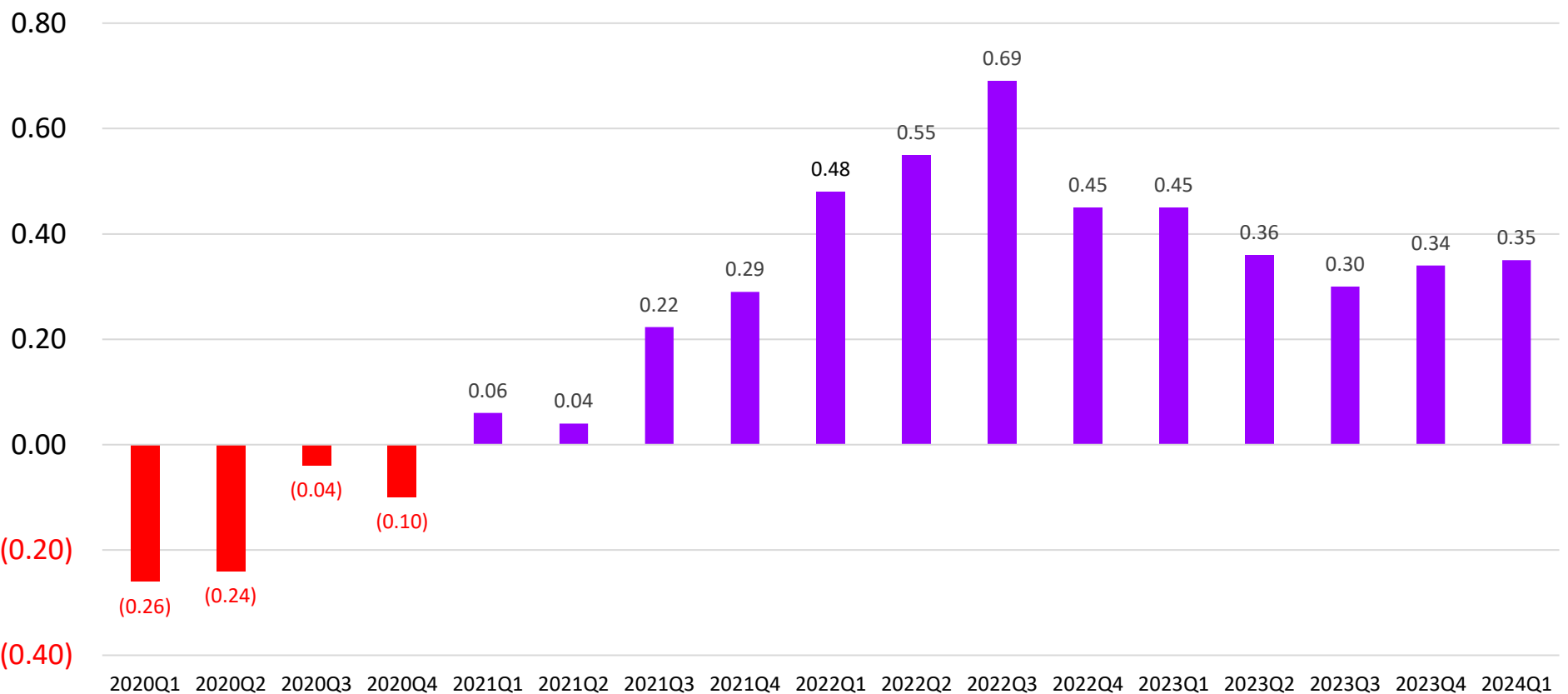
Quarterly P/L after Tax and Ratio



Earning per Share

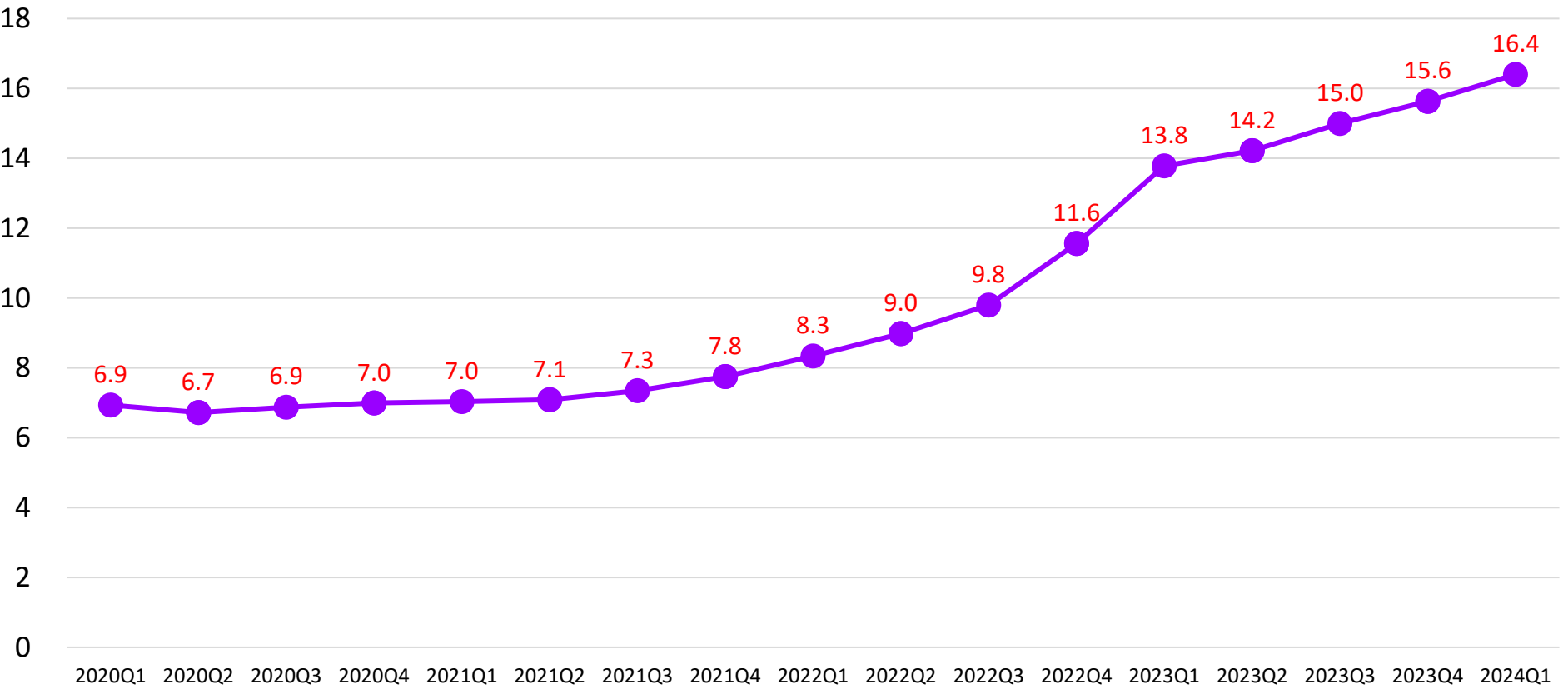
NT\$/Share

Quarterly EPS

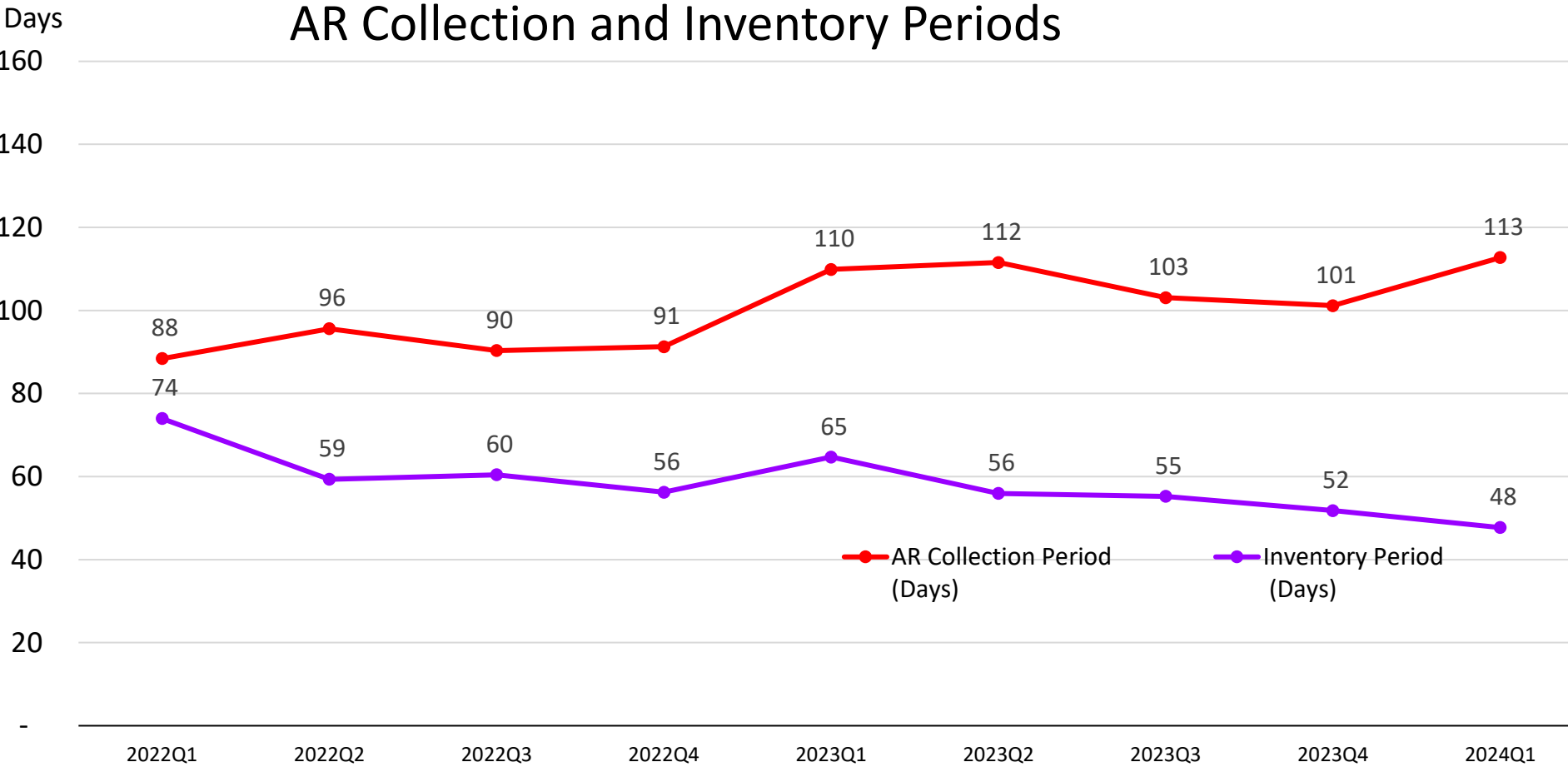


NT\$/Share

Net Worth Per Share



AR and Inventory Turnover





Business Growth Strategies

Sysgration at a Glance



1977

Founded



550+

*Worldwide
Employees*



40+

*Years
Design &
Manufacturing
Service Experiences*



4

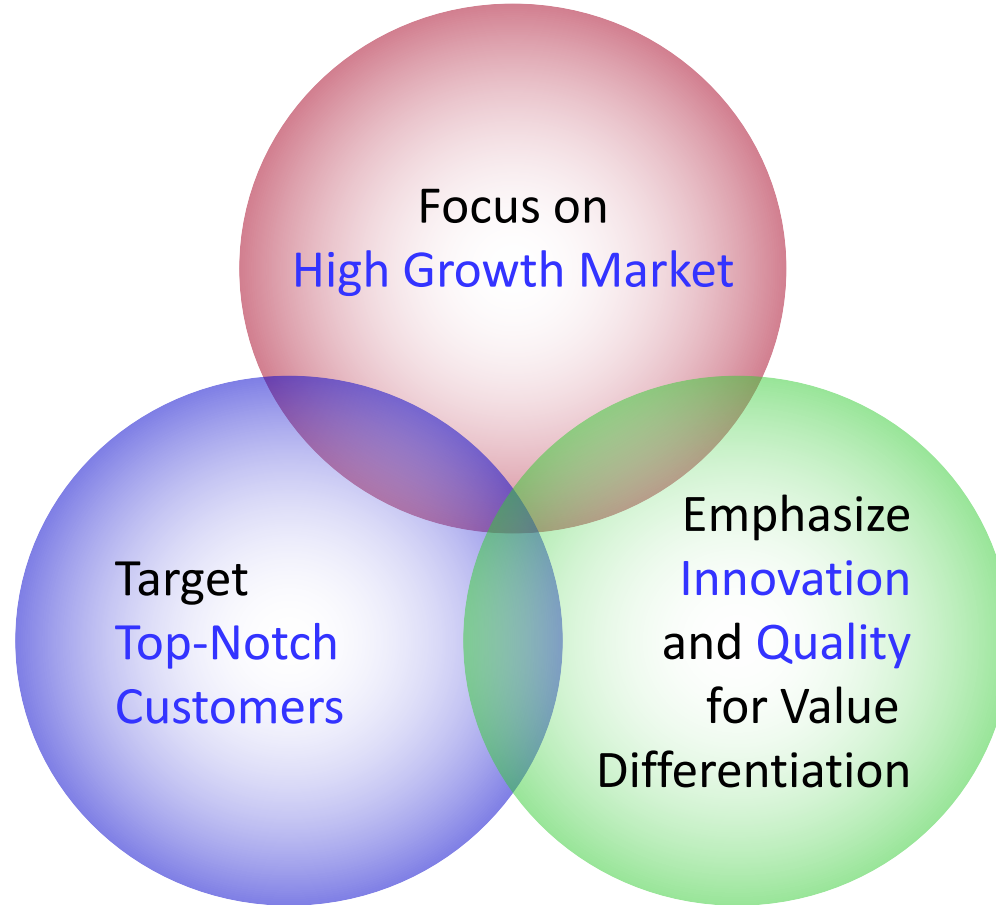
*Locations
Taiwan - Taipei/NanKang
China - Huizhou/ZhenJiang*



5309

*TW Stock
Publicly Trade
Capital: NT\$1.8B
Market Value NT\$7B*





Focused Market and Product Portfolio

Automotive Solutions

Power and Energy Management



Future Business Growth Drivers

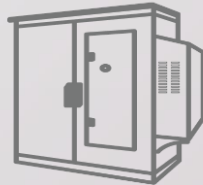


TPMS

- OE
- Replacement
- Fleet

- Semiconductor Fab
- Community
- Data Center

LIB Pack



IPC

- Commercial & Industrial Vehicle
- Rugged Portable/Wearable
- AI-Driven



TPMS



IPC

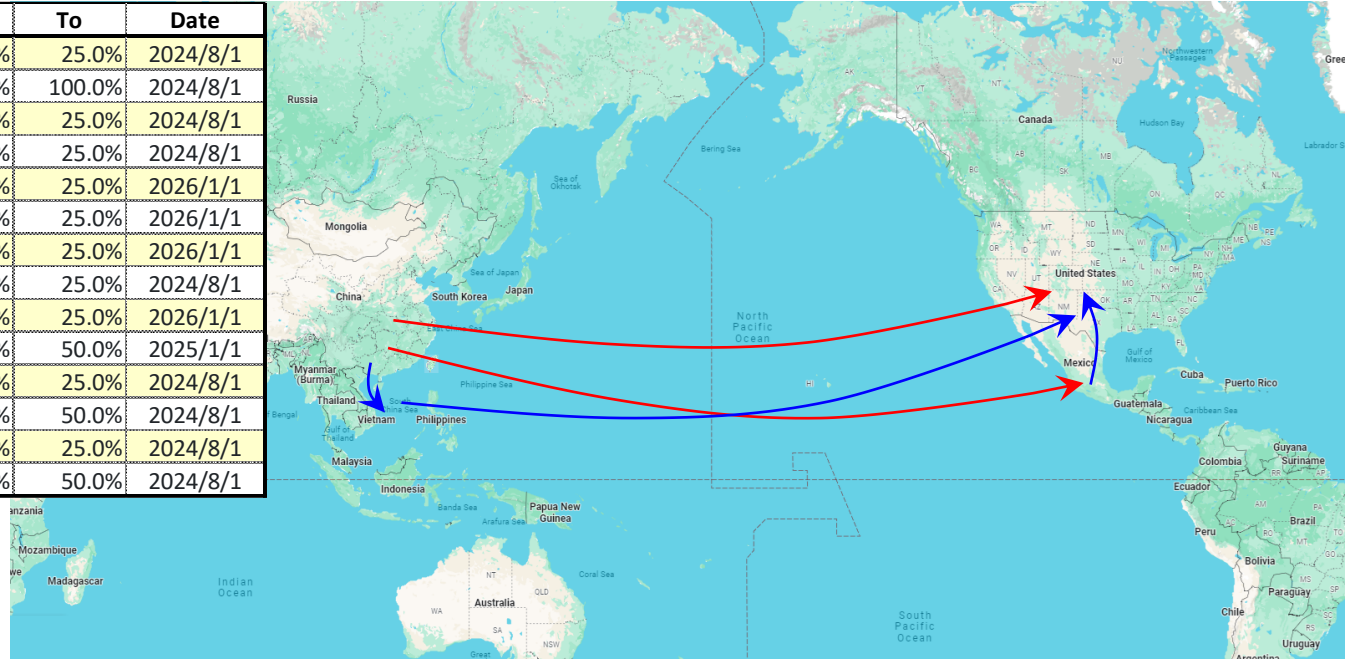


LIB Pack

US's and Mexico's New Tariff Policies

- ◆ 2024/4/22 Mexico Reinstates Tariff Hikes 5%~50% on 544+ Goods.
- ◆ 2024/5/14 US Tariff Increases on Chinese Imports, ~\$18B of Goods.

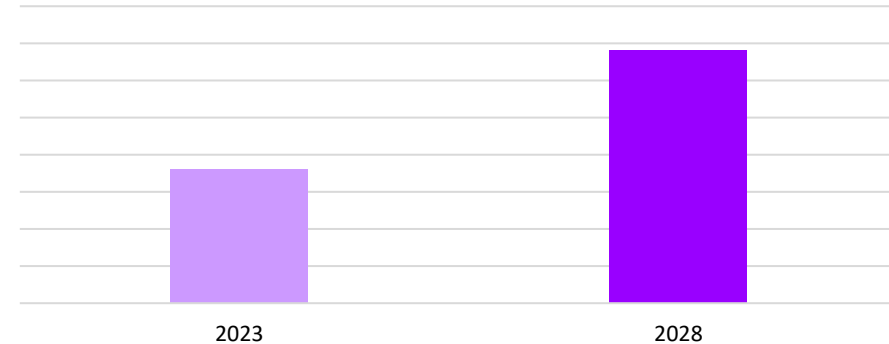
Category	From	To	Date
Battery Parts	7.5%	25.0%	2024/8/1
Electric Vehicles	25.0%	100.0%	2024/8/1
Facemasks	0 ~ 7.5%	25.0%	2024/8/1
Lithium-Ion EV Batteries	7.5%	25.0%	2024/8/1
Lithium-ion non-EV Batteries	7.5%	25.0%	2026/1/1
Medical Gloves	0 ~ 7.5%	25.0%	2026/1/1
Natural Graphite	0.0%	25.0%	2026/1/1
Other Critical Minerals	0.0%	25.0%	2024/8/1
Permanent Magnets	0.0%	25.0%	2026/1/1
Semiconductors	25.0%	50.0%	2025/1/1
Ship-to-Shore Cranes	0.0%	25.0%	2024/8/1
Solar Cells and/or Modules	25.0%	50.0%	2024/8/1
Steel and Aluminum Products	0 ~ 7.5%	25.0%	2024/8/1
Syringes and Needles	0.0%	50.0%	2024/8/1



- ◆ 2023~2028 CAGR > 13%.
- ◆ Largest Market: North America.
- ◆ Fastest Growing Market: Asia-Pacific.
- ◆ New Geopolitical Growth Opportunity in North America and Europe OE Makers.



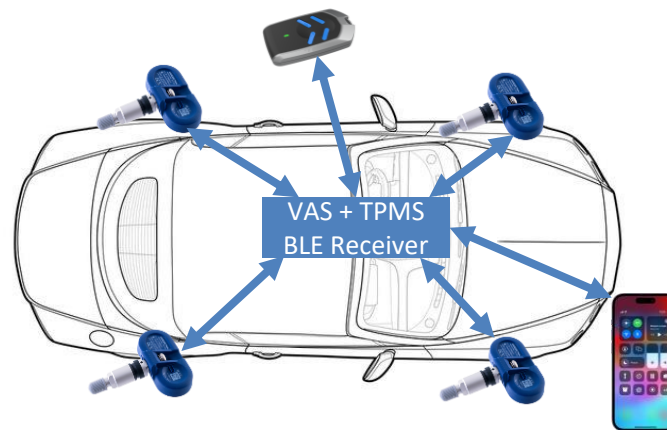
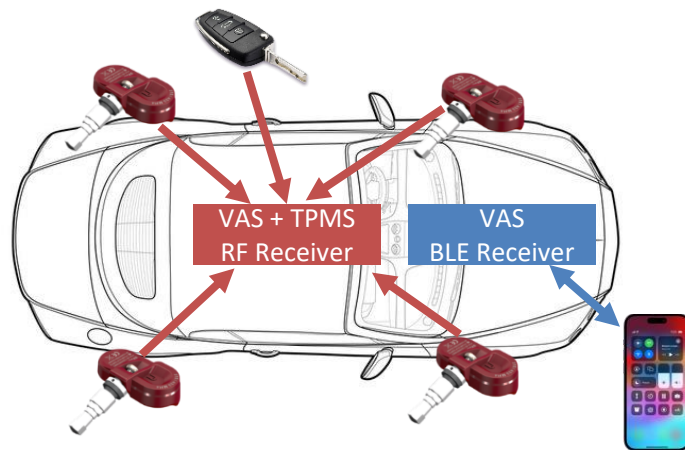
Automotive TPMS Market Size
CAGR > 13%



Data Source: www.mordorintelligence.com/industry-reports/automotive-tpms-market

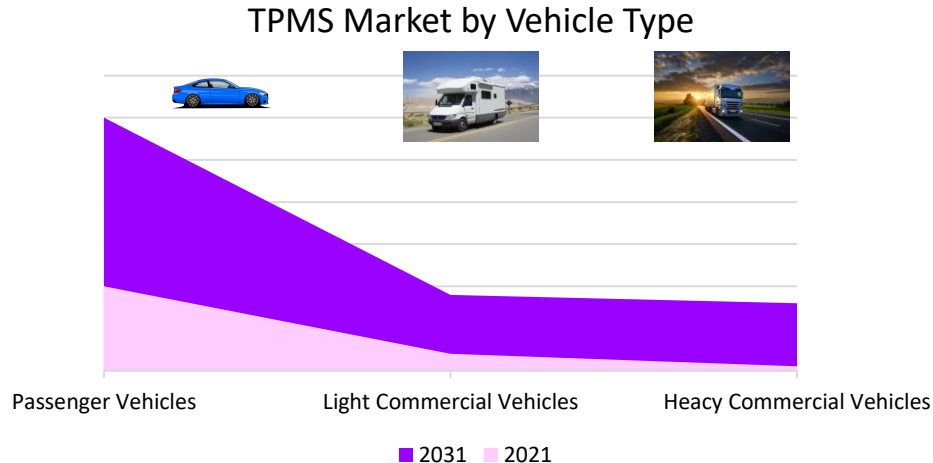
TPMS Moving from RF to BLE

- ◆ Market Preference on ADAS Plays a Significant Role in TPMS Growth.
- ◆ “Phone as A Key” Drives VAS (Vehicle Access System) from RF to BLE/UWB.
- ◆ Adopting BLE TPMS Helps Automakers to Eliminate the Dedicated RF Receiver.
- ◆ Technology Matures to Reach Good Performance/Price Ratio for Mass Adoption.



Commercial Vehicle TPMS Growth

- ◆ TPMS Become a Compulsory Fitment for Commercial Vehicle across Europe:
 - on M1, M2, M3, N1, N2, N3, O3, and O4 vehicles (trucks, trailers, buses, coaches)
 - from 2022/7: new type approvals, and
 - from 2024/7: all new vehicles for registration.
- ◆ BLE TPMS Excellent for Commercial Vehicles and Fleets. Margin is Most Lucrative.
- ◆ A US Truck OE is evaluating BLE TPMS for their FCEV Truck.
- ◆ Top Tire Makers are adapting BLE TPMS as part of their Fleet Solution.



Data Source: <https://www.alliedmarketresearch.com/tire-pressure-monitoring-system-market-A07166>

Sysgration TPMS Market Position

- ◆ Ranked by Key Component Suppliers as WW #5.
- ◆ Recognized by WW Market Reports as One Global Key Player.

Key Players

Schrader, Baolong, Pacific Industrial, Continental AG, Huf Group, TRW,
Sysgration, Dias Automotive Electronic Systems, Sate, Steelmate and Other

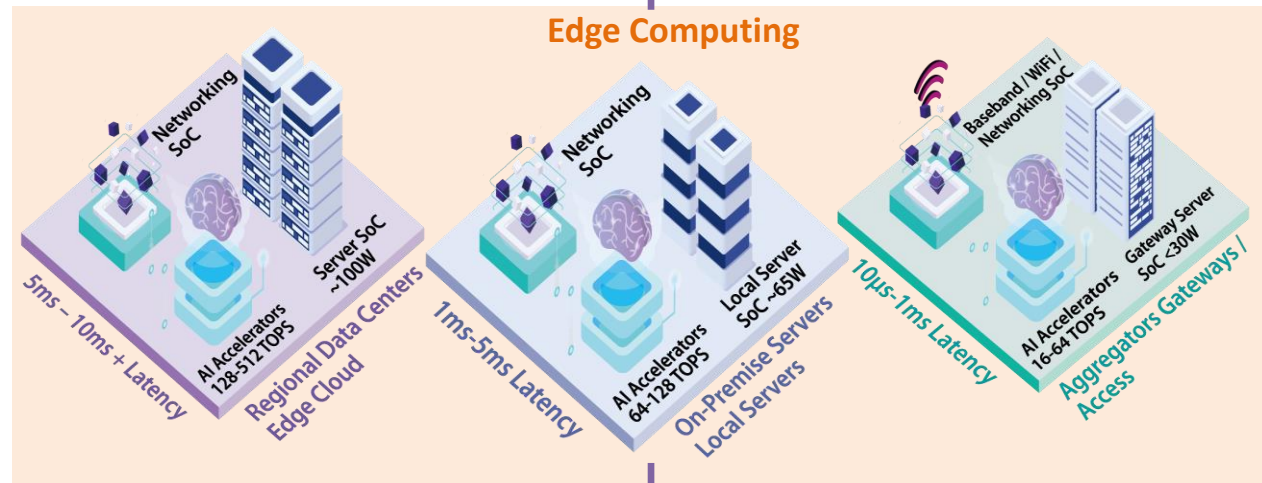
- ◆ Computing power demanded by AI gradually shifts from Cloud Servers to Edge Computing and Smart Devices (on-device AI).
- ◆ Markets for Edge Computing & Smart Devices are expected to experience significant growth and expansion.
- ◆ USA President Biden signed a \$1.2 trillion infrastructure investment and jobs act covering:
 - Environmental restoration and green infrastructure.
 - Transportation infrastructure and safety facilities.
 - Public utility infrastructure.
 - Electric vehicles and infrastructure.
- ◆ Growing demands for Smart Construction & Precision Agriculture accelerated the adoption of AI and IoT applications.

The AI Future: Distributed & Decentralized AI

Cloud AI
100ms+ Latency
>2,000 TOPS

AMD MI325X 2,614 TOPS
NVIDIA H200 1,979 TOPS

Edge Computing



NVIDIA Jetson AGX Orin 275 TOPS
Qualcomm QCS9100 100 TOPS



Edge devices with on-device AI

4-20 TOPS < 8W

10-50 TOPS < 20W

30-70 TOPS < 30W



AMD Ryzen AI 9 365/370 50TOPS
Qualcomm X Elite 45 TOPS
NVIDIA Jetson Orin Nano 40 TOPS
Qualcomm QCS6490 13 TOPS



AI Server & Edge Trends

Market	Server	PC	Laptop	Smartphone	Industrial PC
Current Value (2024)	USD 153.9 billion	USD 201.8 billion	USD 120.84 billion	USD 493.08 billion	USD 6.05 billion
Projected Growth (2030)	USD 200 billion	USD 300 billion	USD 179 billion	USD 735 billion	USD 9.94 billion
CAGR	11.40%	6.0% - 7.8%	6.0% - 7.3%	6.85%	7.30%
Impact of AI	Enhanced data processing, predictive maintenance, AI-driven analytics	Enhanced productivity, security, performance, and user experience	Enhanced productivity tools, customization, and security features	Enhanced user experience, smart assistants, AI-driven features	Smart manufacturing, predictive maintenance, real-time analytics
AI-Driven Market Value Projection (2030)	USD 230 billion	USD 350 billion	USD 200 billion	USD 790 billion	USD 15.8 billion
Sources	IDC, Expert Market Research, Technavio	IDC, Gartner, Future Market Insights	Canalys, Fortunly, Cognitive Market Research	IDC, Canalys, Market Data Forecast	Maximize Market Research, Future Market Insights



AI Enabled Vertical Market

Rugged AIOV Computing & Control



Rugged Handheld AIoT Device



Enterprise Wearable AIR Device



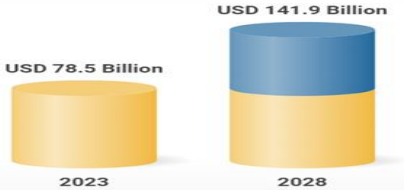
Global Autonomous Construction Market

Market forecast to grow at a CAGR of **10.4%**



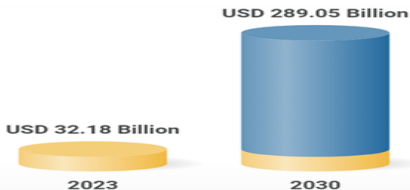
Global Geospatial Analytics Market

Market forecast to grow at a CAGR of **12.6%**



Global Augmented Reality Market

Market forecast to grow at a CAGR of **36.8%**



Enterprise Wearable AI + AR Devices



- Global No.1 Enterprise AR Head Mount Device/Smart Glasses.
- 41 of Fortune 100 Companies have deployed RealWear devices.



Telehealth



Remote Assist



Vision Picking

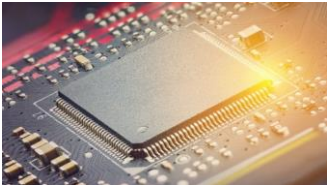


AR SOP

Design



Manufacturing



Distribution



Service



AI Integration



Autonomous Mobile Robot (AMR)

◆ Expected to see substantial growth over the next decade:

- Expert Market Research: \$3.96B in 2024 → \$9.47B by 2029, CAGR 18.5%.
- Coherent Insights: \$2.96B in 2023 → \$8.47B by 2030, CAGR 16.2%.

◆ Key Application Areas:

- Manufacturing (75% of AMR revenue in 2022, based on Grand View Research)
- Logistics.
- Warehouses.
- Fulfillment centers.



Energy Storage Systems (ESS)



Energy Brick

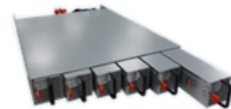


ESS Battery Rack



Container ESS

Active Power



AI Data Center BBS/BBU



Volume Up from 2025



Telecom SMR Battery Rack

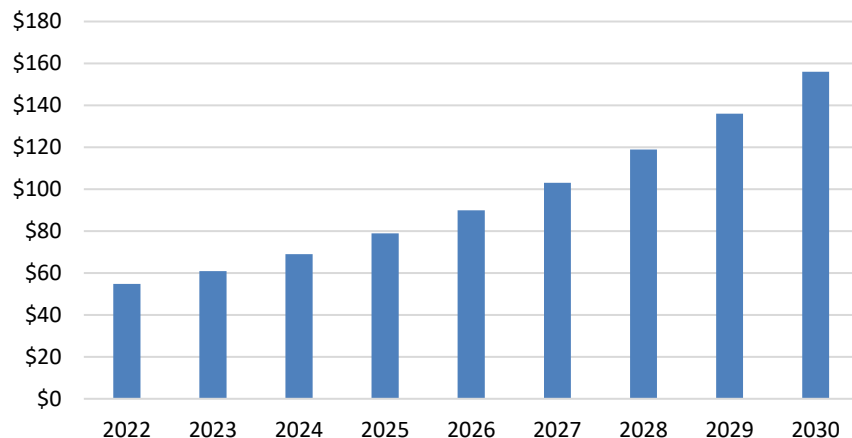


AC UPS Battery Rack

Booming for AI Demands...

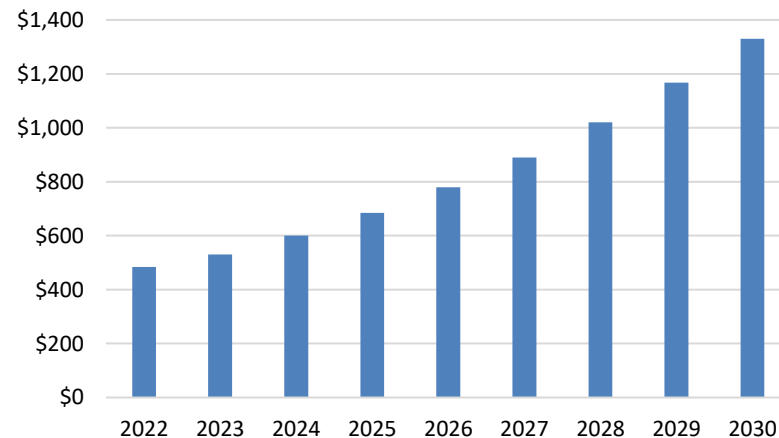
Global DC colocation market size was **US\$55B** in 2022, with **14.2%** CAGR from 2023~2030.

Global Data Center Market Size



Global cloud computing market size was **US\$484B** in 2022, with **14.1%** CAGR from 2023~2030.

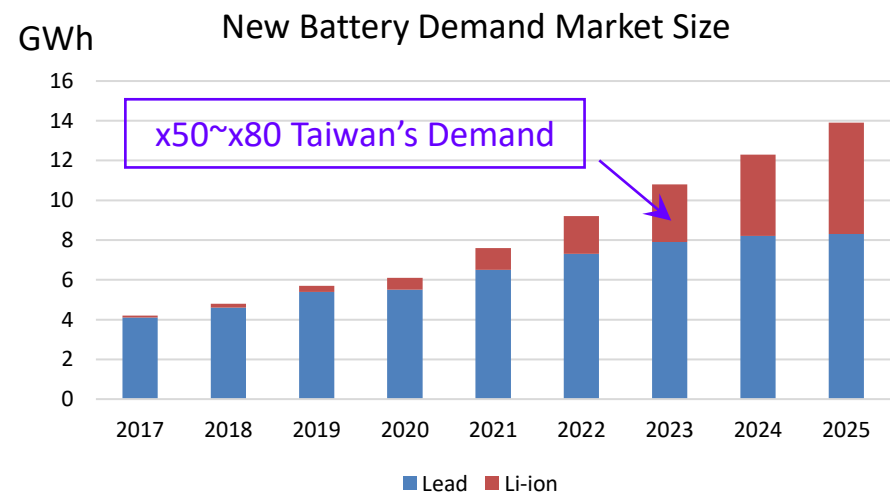
Global Cloud Computing Market



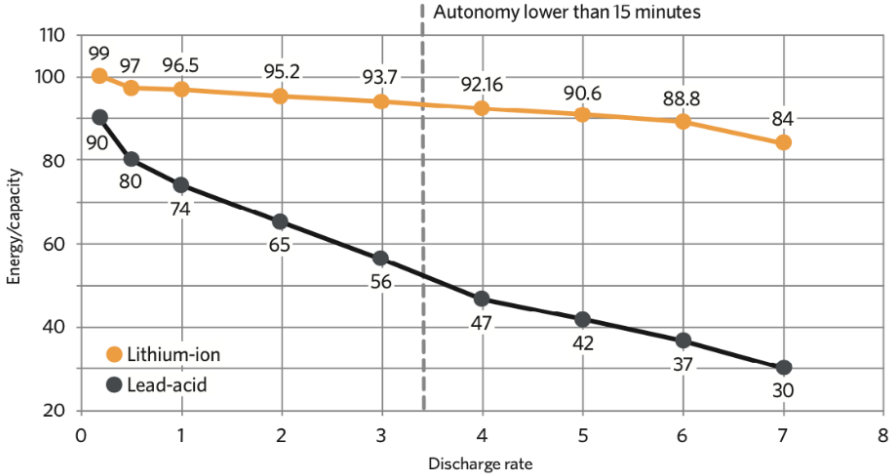
With 10% Lead-Acid to LIB Transformation Rate, around US\$700M LIB Business in 2022.

Source <http://www.grandviewresearch.com>

Annual Battery Demands in US/EU CAGR (2023~2025): Total 13.4%, LIB 38.9%



Telecom & Data Center Market



Lead-Acid vs Li-Ion Battery Discharge Efficiency

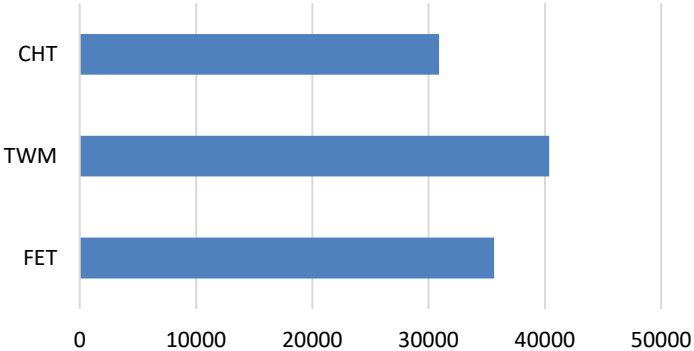
<https://www.cibsejournal.com/technical/battery-technology-vrla-or-li-ion-batteries/>

<https://www.datacenterknowledge.com/business/intel-make-altera-unit-standalone-business#close-modal>



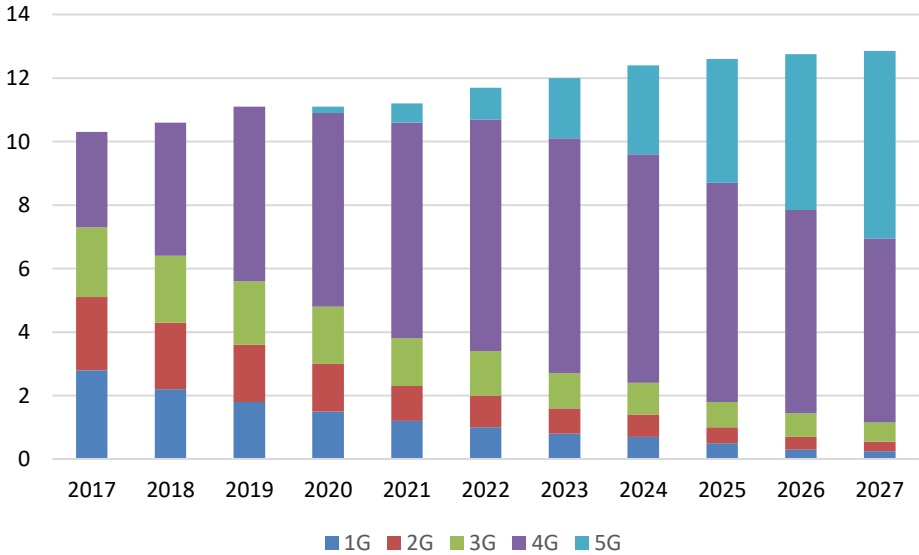
Li-Ion Battery Pack for Base Stations

of Taiwan 4G Base Stations (2022/03)



- 100K+ Base Stations for Taiwan 4G Services
- In Average 270 People/Unit

Billions # of Worldwide Phone Users for Each Generation



30M+ Base Stations in 2023



US Operation Updates

SYSGRATION

Global Footprint

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

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

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 Nankang Factory (NKS)

Location: Nankang,
Nantou, Taiwan

TPMS, IPC, ESS



Sysgration US

Location: Texas, US

**PCBA, TPMS,
IPC, AR, BBU/ESS**



High Speed SMT Line



Auto Insertion Line



Automatic Production Line



Sysgration Huizhou Factory (HZS)

Location: Huizhou,
Guangdong, China

TPMS



Sysgration Zhenjiang Factory (ZJS)

Location: Zhenjiang,
Jiangsu, China

ESS, Li-Ion Battery Pack

US Plano Factory Building

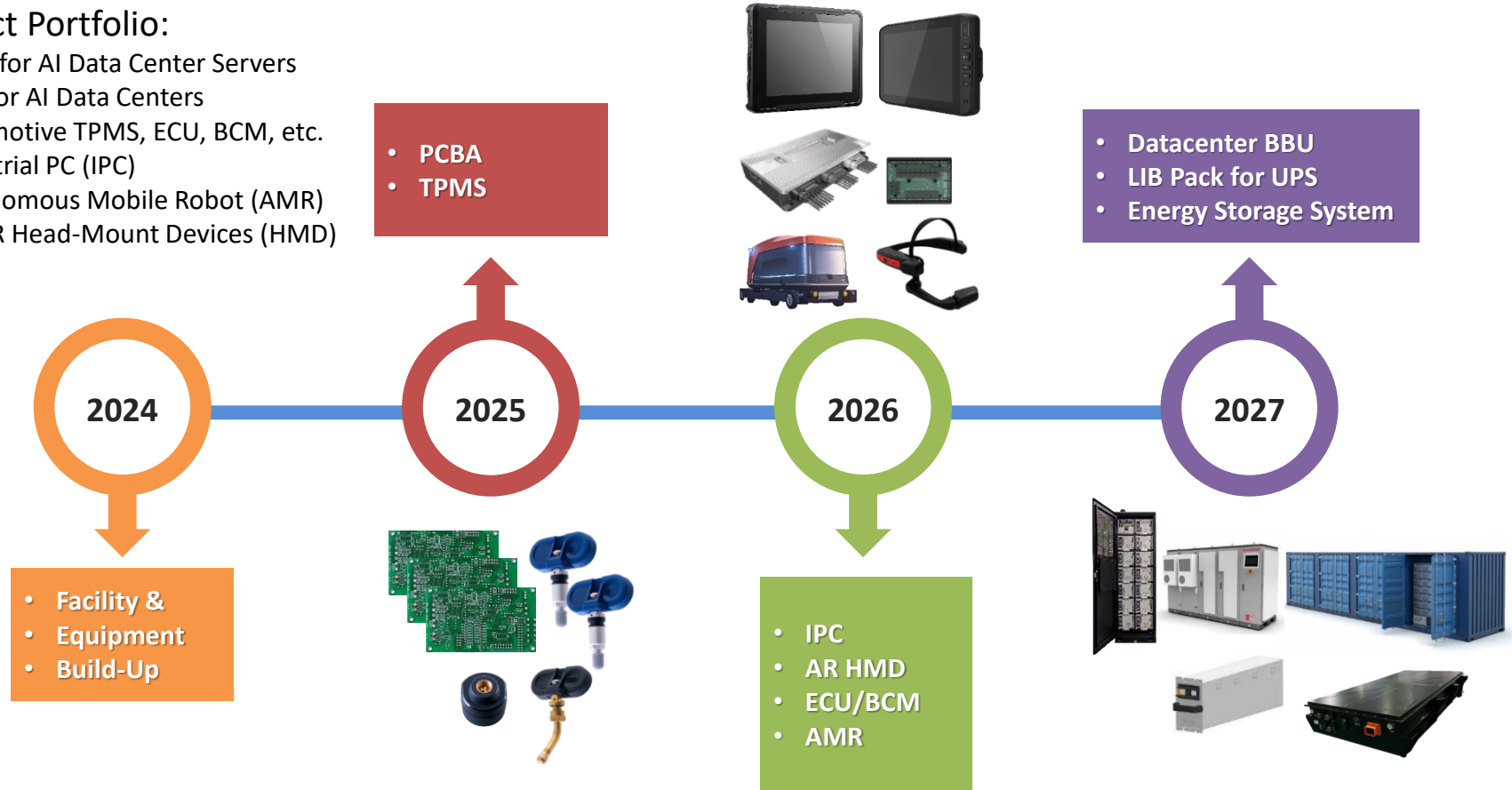
SYSGRATION®

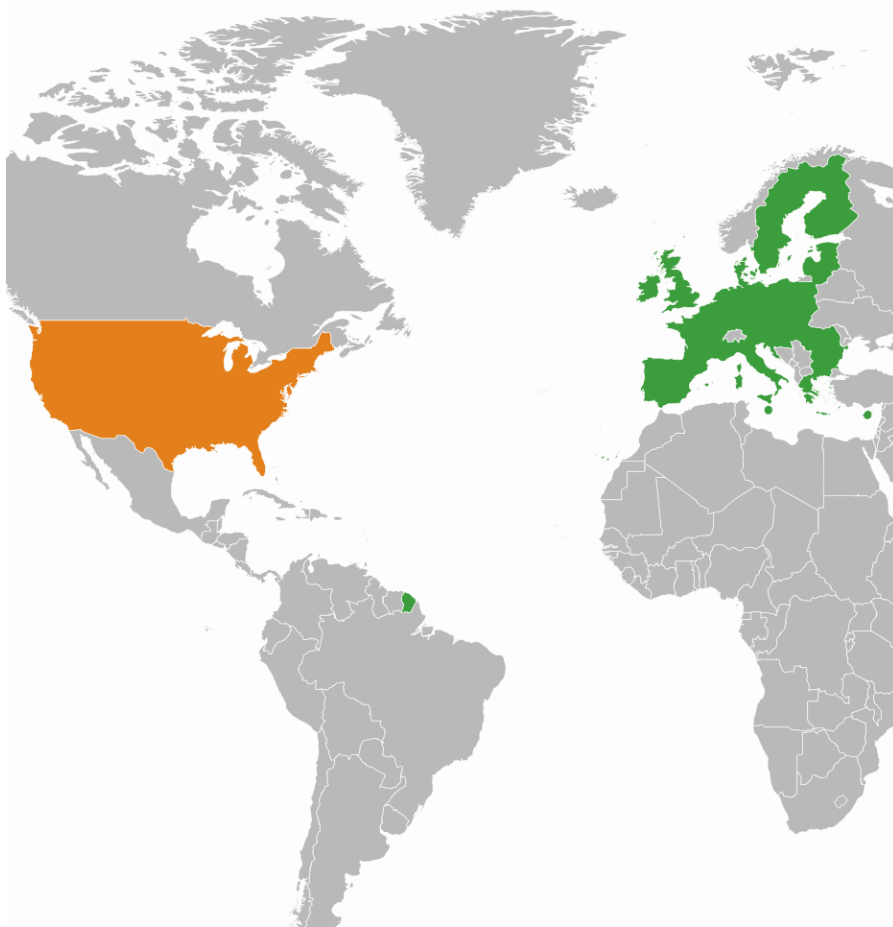


US Plano Factory Planned Product Portfolio

➤ Product Portfolio:

- ✓ PCBA for AI Data Center Servers
- ✓ BBU for AI Data Centers
- ✓ Automotive TPMS, ECU, BCM, etc.
- ✓ Industrial PC (IPC)
- ✓ Autonomous Mobile Robot (AMR)
- ✓ AR/VR Head-Mount Devices (HMD)







ESG Direction



Asia Sustainability Reporting Awards – Finalists



Taiwan Finalists	Capital (NT\$ B)	Report (Large Company)	First Time	Governance	CEO Letter	Human Right	SDG	Materialty	Stakeholder	Climate	Environment Impact	Workplace	Diversity	Supply Chain	Community Impact	Items of Finalists	Award Winner
Innolux	90.8				Gold	Silver	V	V	V		V	Bronze	V	V	V	10	3
E Ink	11.4	Gold		Gold				Gold	Bronze		V			Gold	Gold	7	6
Sinyi Realty	7.4			Silver	V		Silver		Silver				V	V		6	3
Asustek	7.4	V						V		V	V			V		5	0
Taishin Financial Holding	13.5	Silver						Silver	Gold			V		V		5	3
Sysgration	1.8				V		Bronze			V		V				4	1
Cathay Financial	162.0	V						V				V	V			4	0
AUO	77.0					Gold				V	V			Bronze		4	2
Cathay Century Insurance	3.3						V		V	V						3	0
Hon Hai	138.6	V												V		2	0
Cathay Securities	7.7		Bronze						V							2	1
Cathay Life Insurance	63.5									Gold						1	1

<https://www.csrworks.com/asra/winners-2023/>



BRONZE

Asia Sustainability Reporting Awards 2023

Asia's Best SDG Reporting



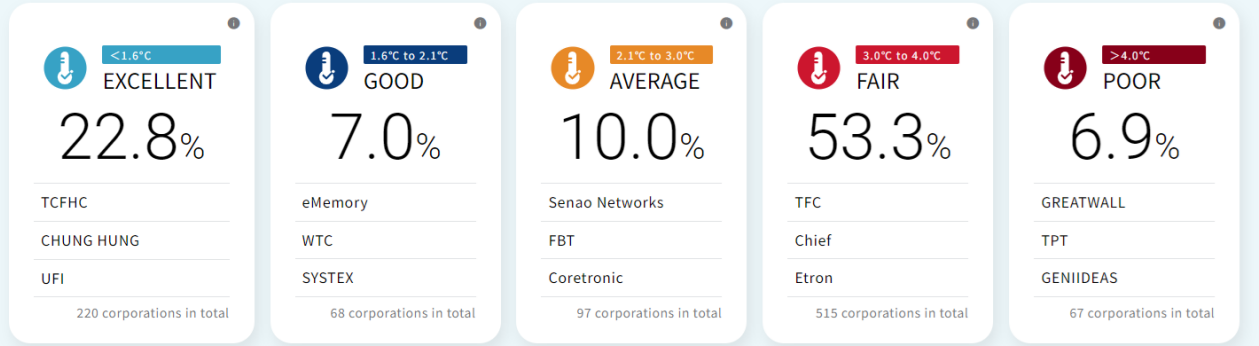
Ranked “#1 Excellent” on 1.5°C Carbon Reduction Target



Methodology | CW Sustainability

Taiwanese corporations' Ambition of Carbon Reduction

How ambitious Taiwanese corporations are regarding carbon reduction? According to the TRIPs, more than 100 corporations in Taiwan have made a clear commitment to net-zero emissions or carbon neutrality by joining the Science-Based Target Reduction Initiative (SBTi), the Renewable Energy 100 percent (RE100) organization, or by announcing it in the "Excellence in Corporate Social Responsibility Award" or on public occasions. According to the information actively provided and passively disclosed, the current percentage of corporate ranked "Excellent" and "Good" is over 35%.



天下雜誌 TRIPs

1.5°C 標章證書

Certification in Net-Zero Progress under Paris Agreement

茲證明 系統電子工業股份有限公司

所制定之減碳目標與路徑，經「企業減碳溫度計」(TRIPs)認定，符合《巴黎協議》於本世紀末地球升溫不超過 1.5°C 之企圖心，特此授予標章以茲認證，併期待 貴企業依循承諾，持續朝向淨零排放/碳中和邁進。

貴企業於「企業減碳溫度計」(TRIPs) 的溫度判定為 1.484 °C

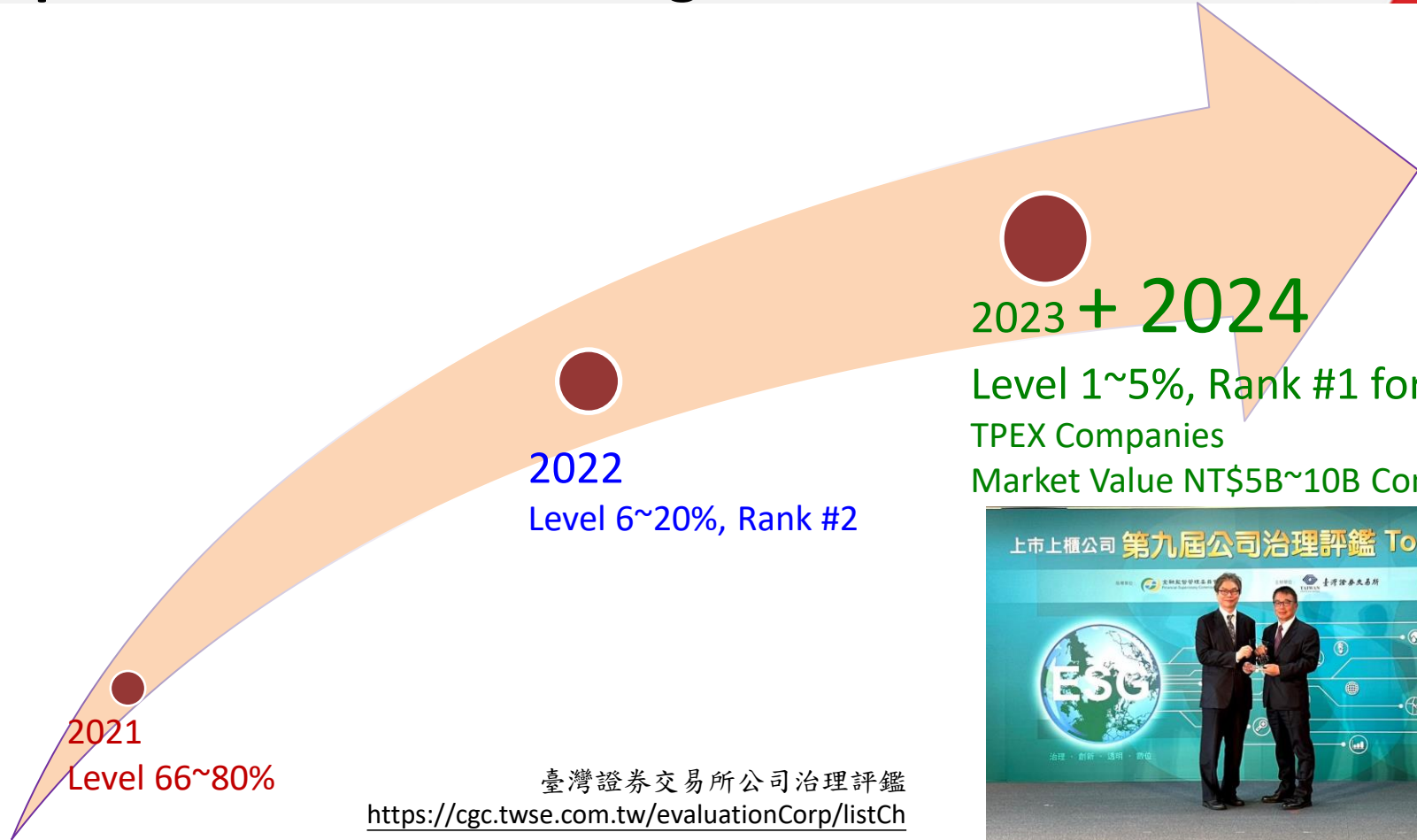
此溫度判定依據為：
☐ 科學基礎減量目標倡議組織 (SBTi) 審核通過。
☒ 「企業減碳溫度計」(TRIPs) 依據貴企業/組織之減碳路徑經 AGTP 氣候模型與參數矩陣計算後得出。

1.5°C

天下雜誌 共同執行長
吳琬瑜 黃雲

天誌天下
限股下
合份雜

證書有效期間 2024年6月1日 — 2025年5月31日



臺灣證券交易所公司治理評鑑
<https://cgc.twse.com.tw/evaluationCorp/listCh>





Q&A





Thank You