

Investor Conference

2024/3/28

Sysgration Ltd.
(TPEX: 5309)



Outline

- 1 2023 Operation Highlights**
- 2 Business Growth Strategies**
- 3 US Operation Updates**
- 4 ESG Direction**



2023 Operation Highlights

2020~2023 P/L Performance

NT\$ M

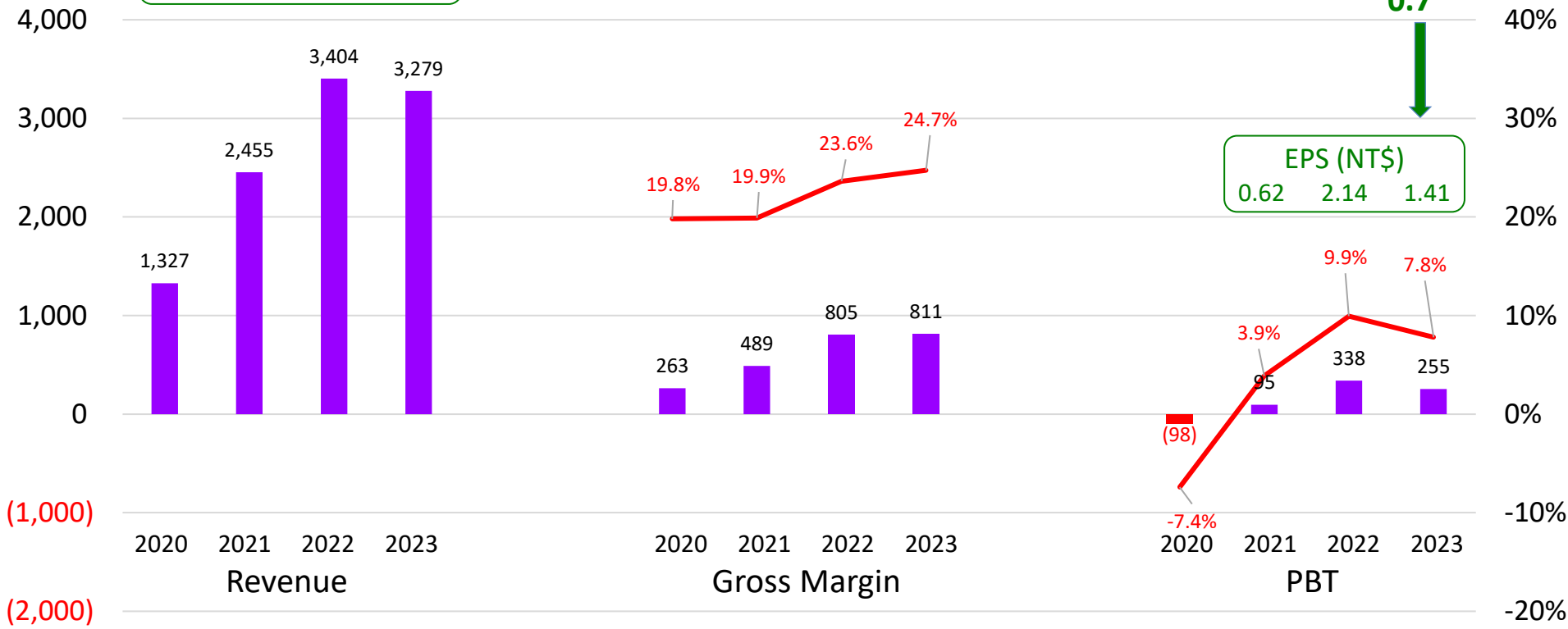
2020~2023 P/L Performance

%

Proposed Dividend
0.7

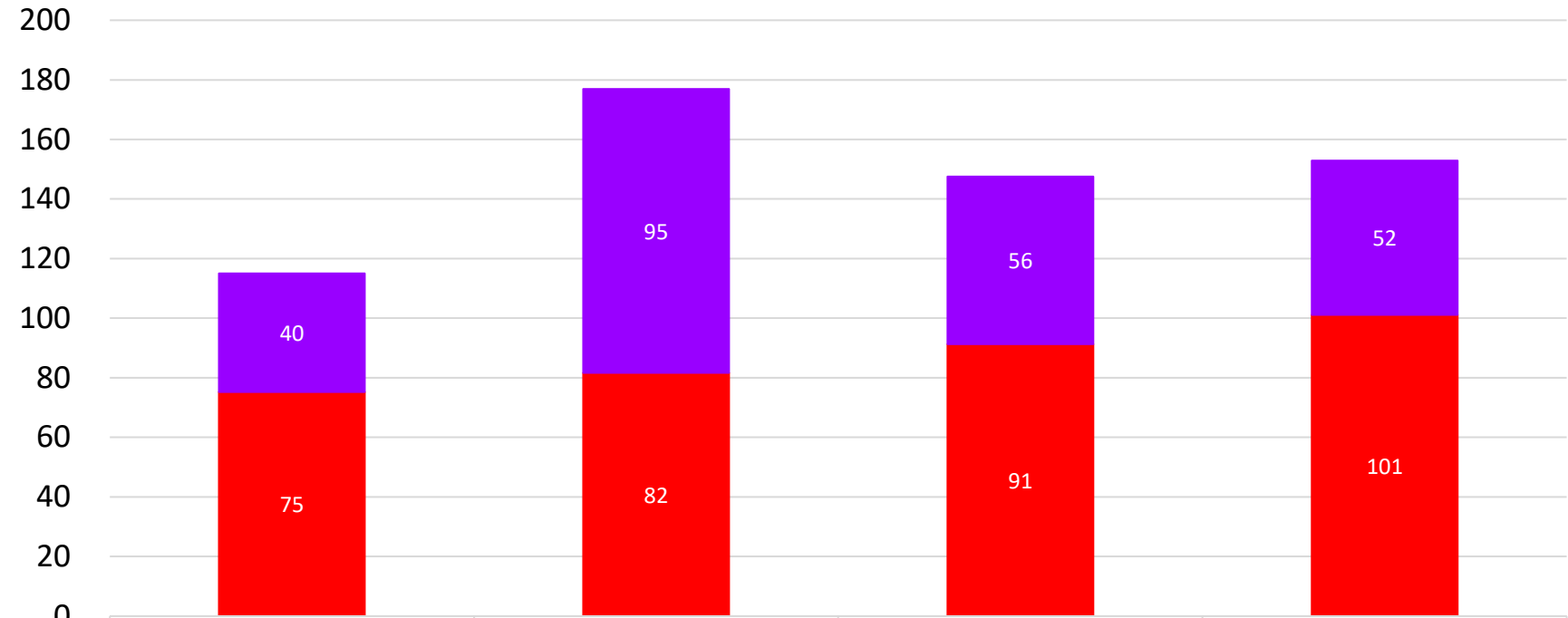
YoY
85% 39% -3.7%

EPS (NT\$)
0.62 2.14 1.41



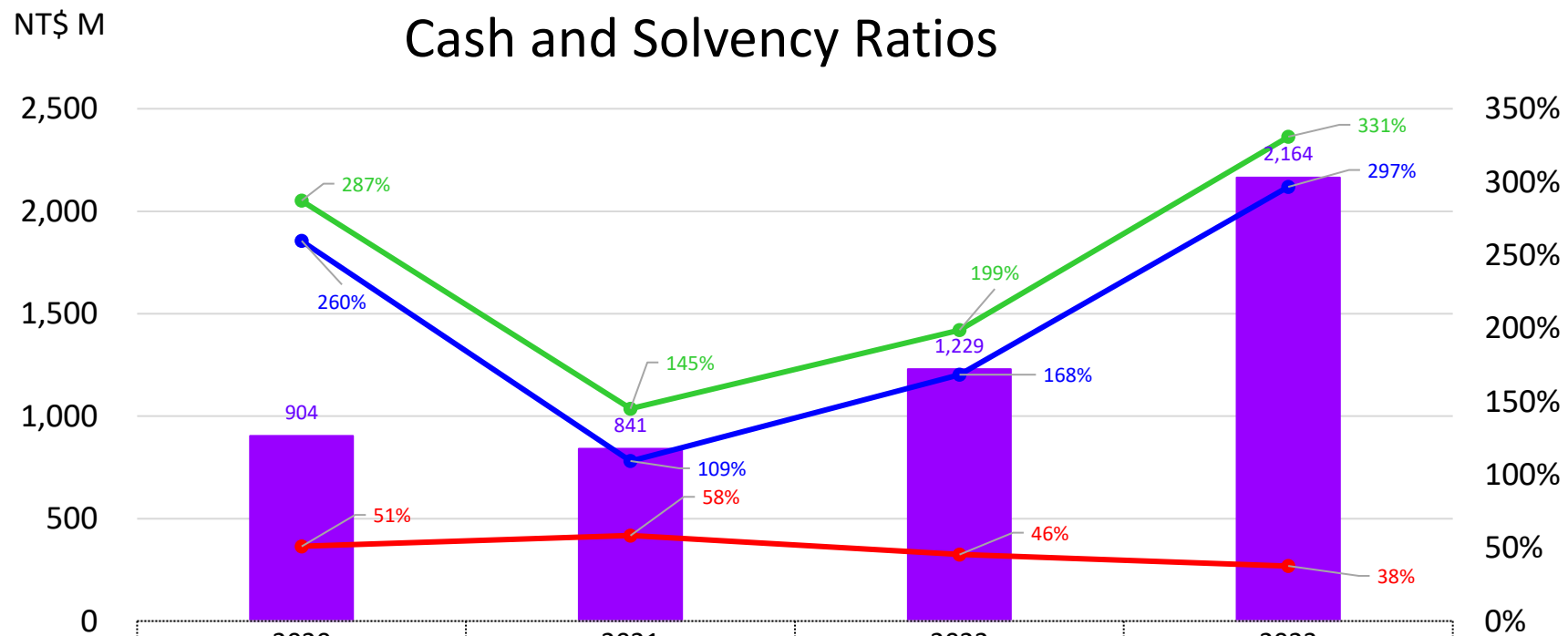
Days

Operating Cycles



	2020	2021	2022	2023
Inventory Days	40	95	56	52
AR Days	75	82	91	101

2020~2023 Cash and Solvency Ratios

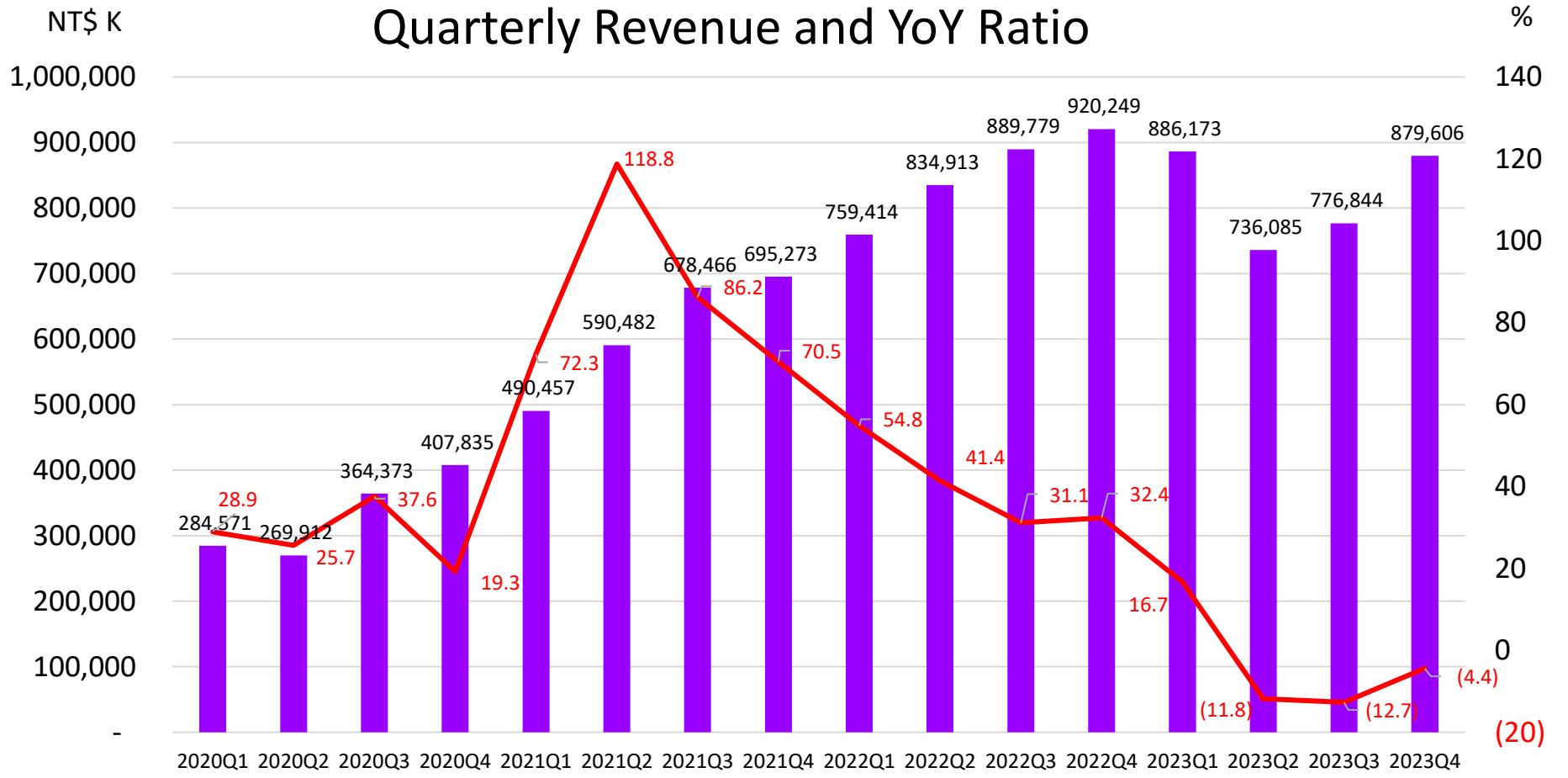


- Cash (NT\$M)
- Debt Ratio (%)
- Current Ratio (%)
- Quick Ratio (%)

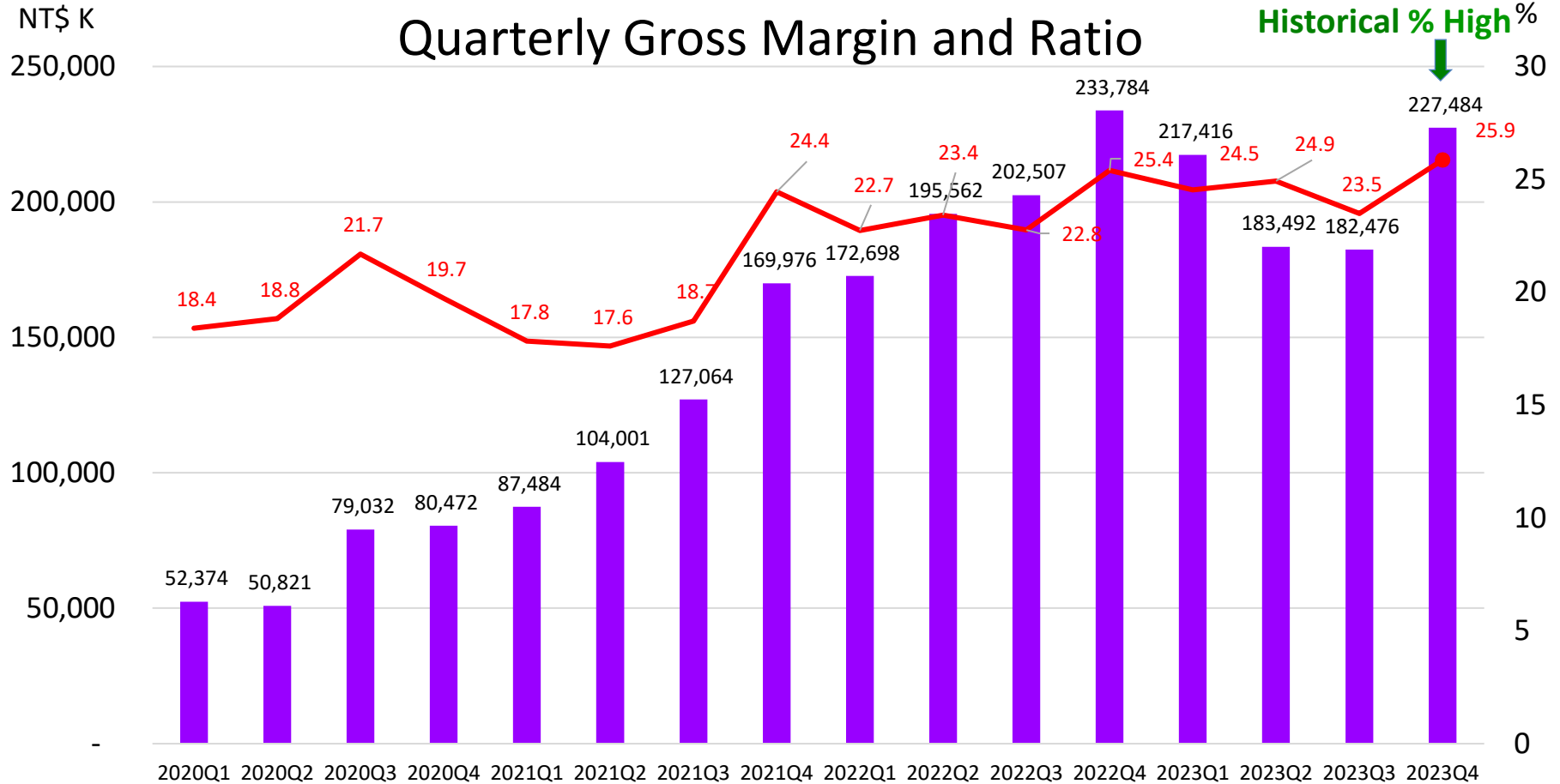
	2020	2021	2022	2023
Cash (NT\$M)	904	841	1,229	2,164
Debt Ratio (%)	51%	58%	46%	38%
Current Ratio (%)	287%	145%	199%	331%
Quick Ratio (%)	260%	109%	168%	297%

Revenue

Quarterly Revenue and YoY Ratio

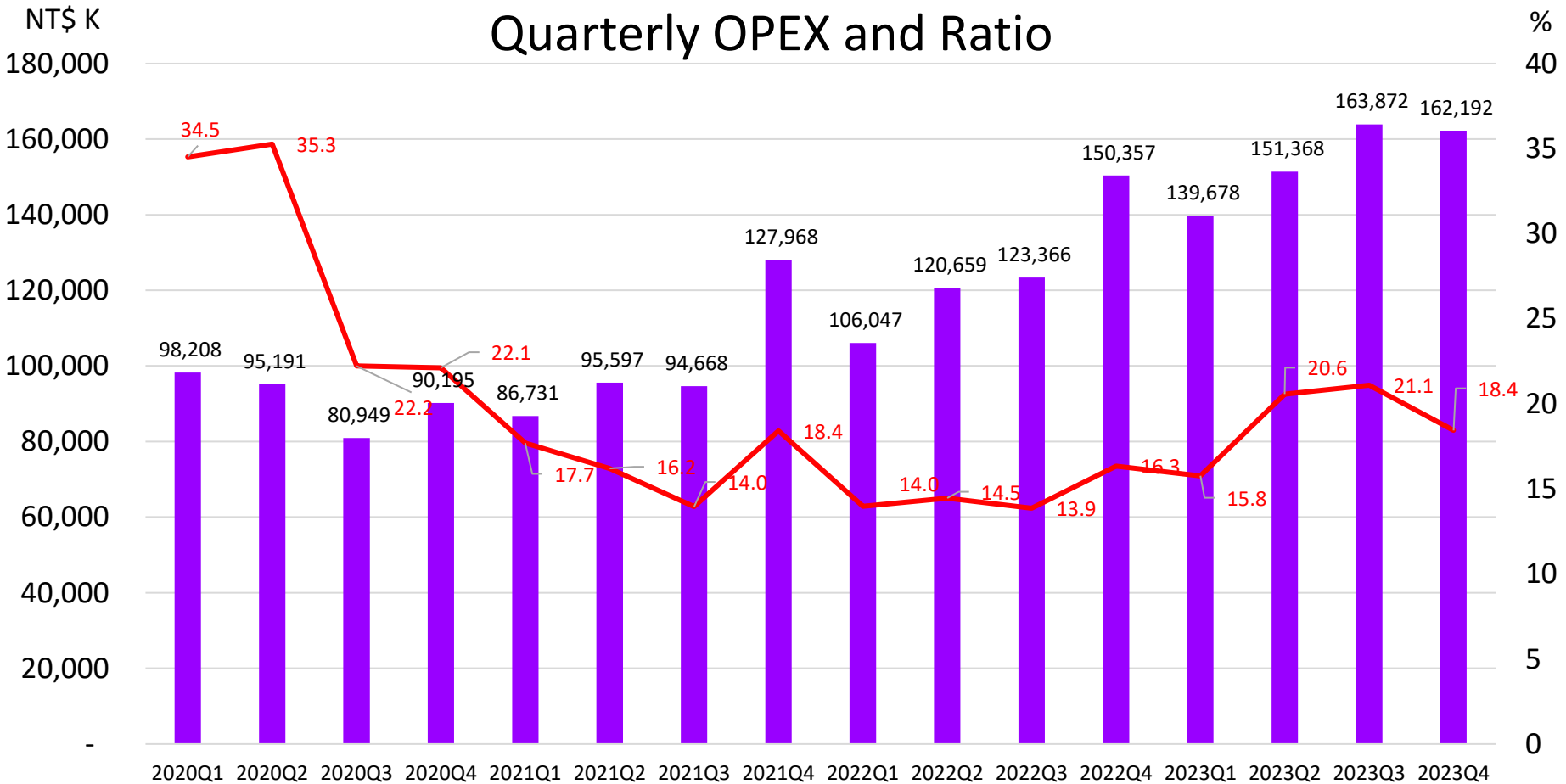


Quarterly Gross Margin and Ratio

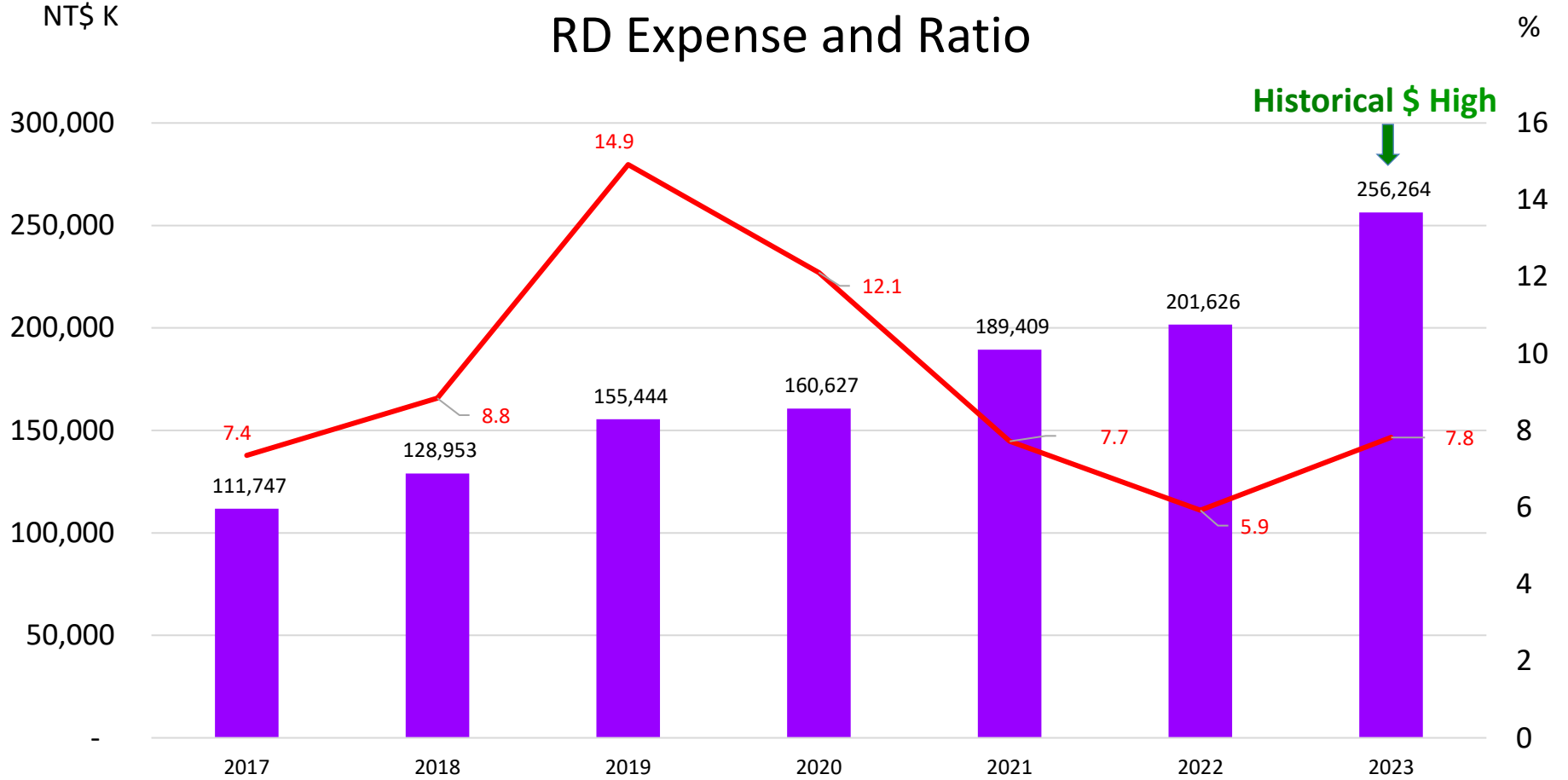


Operational Expense

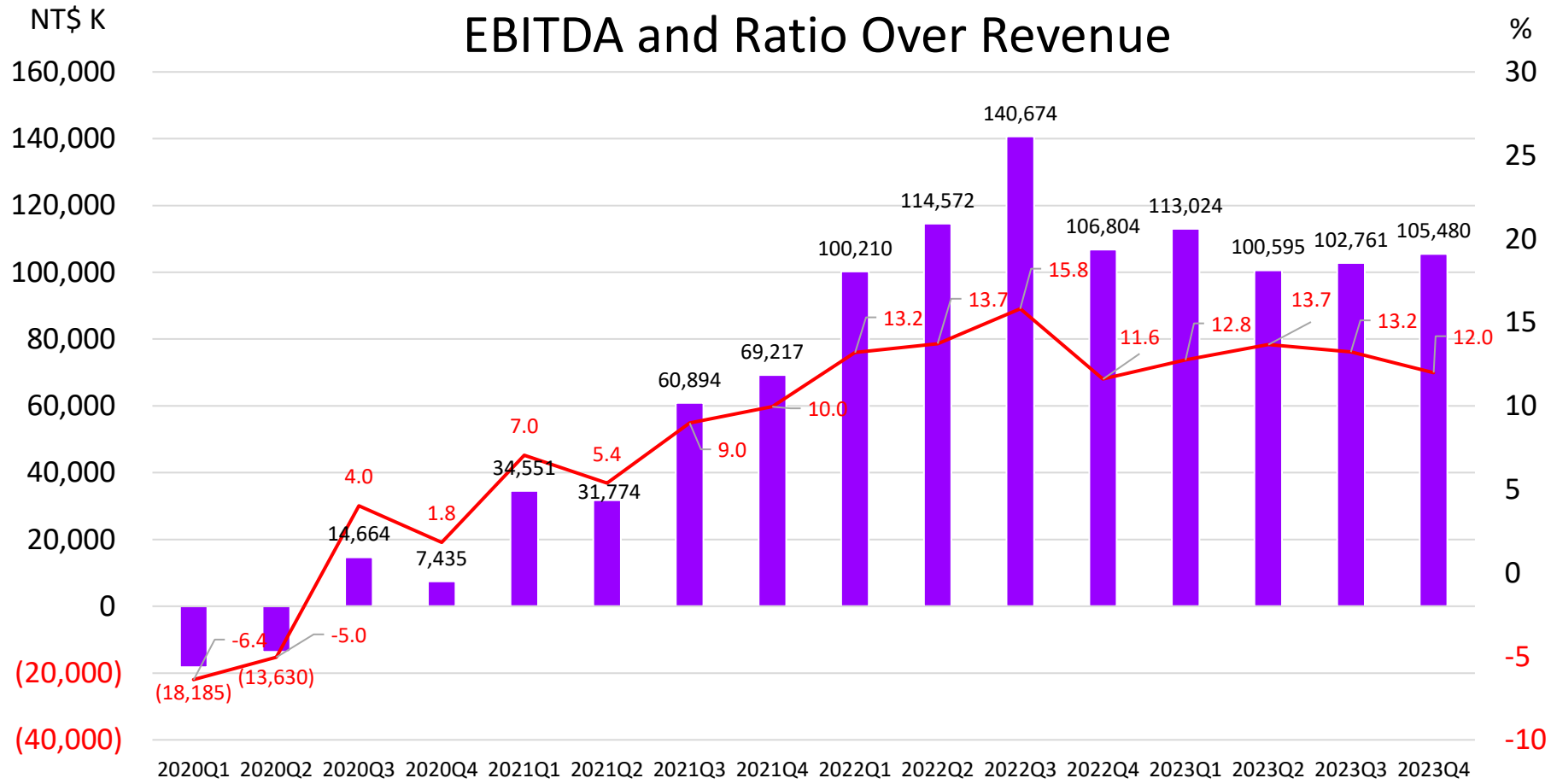
Quarterly OPEX and Ratio



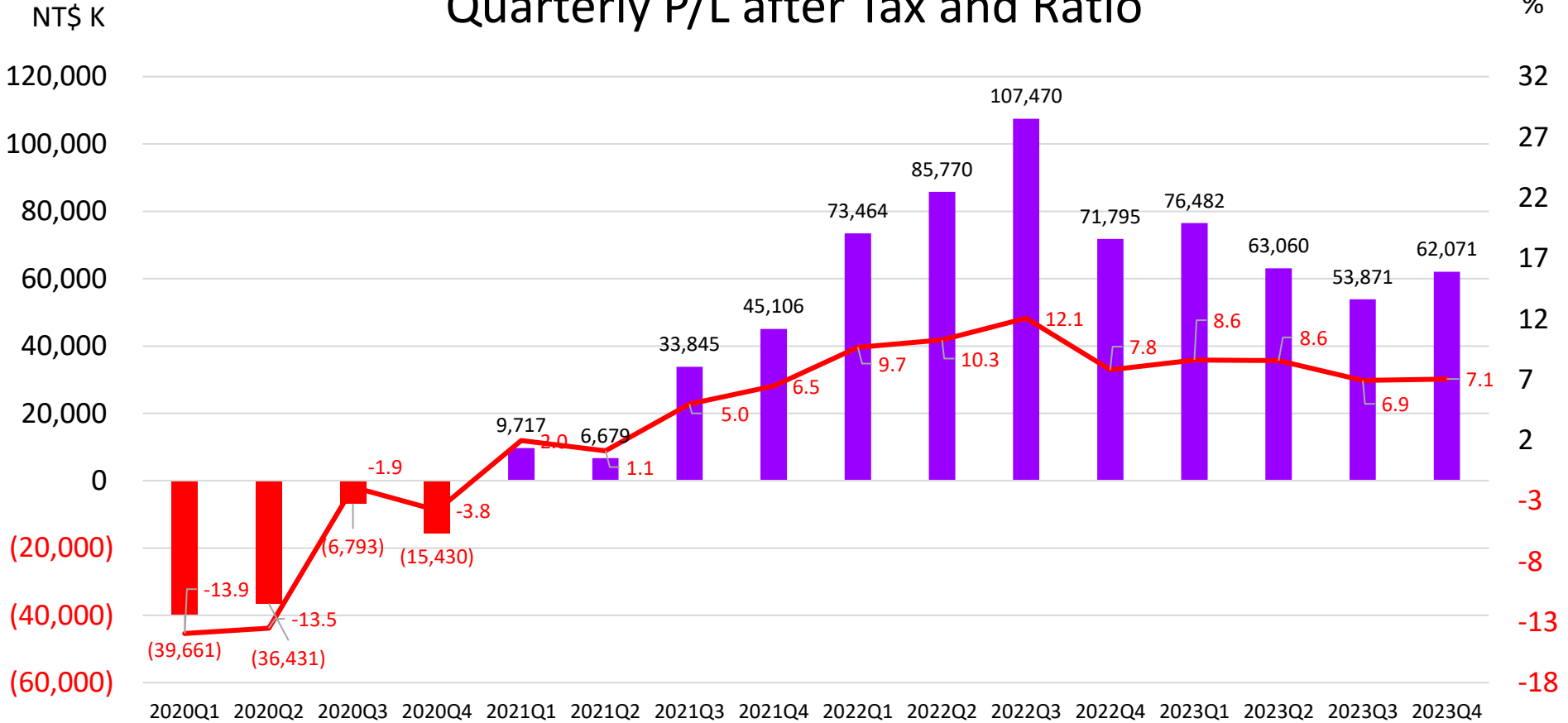
RD Expense and Ratio



EBITDA and Ratio Over Revenue



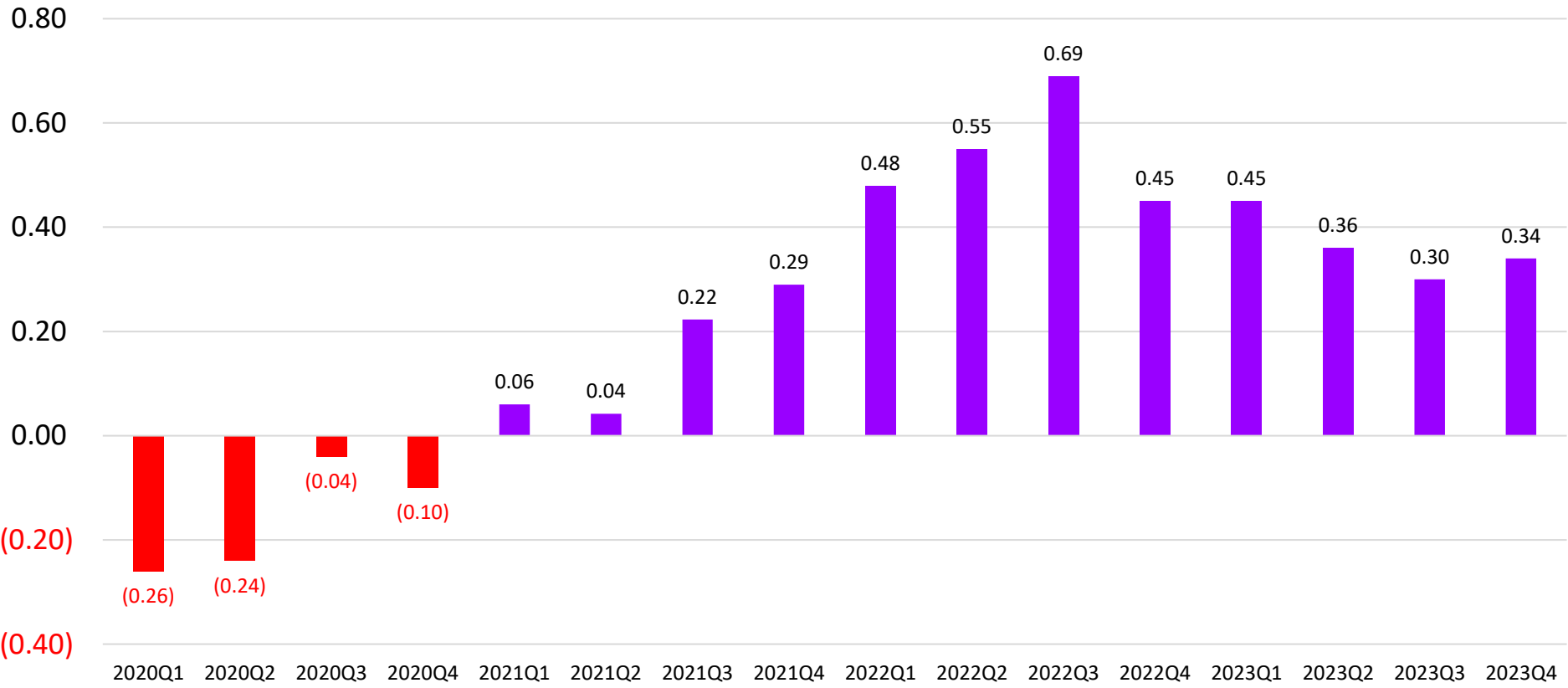
Quarterly P/L after Tax and Ratio



Earning per Share

NT\$/Share

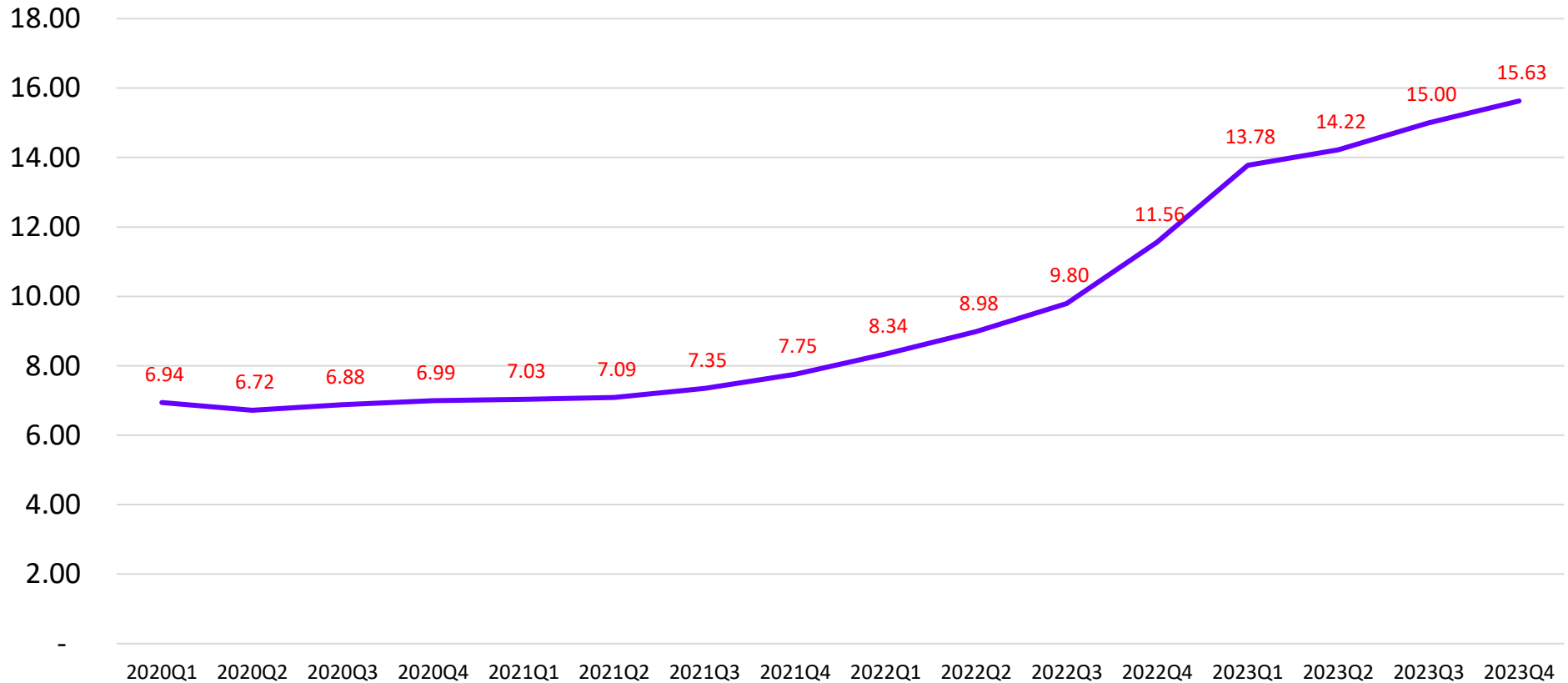
Quarterly EPS

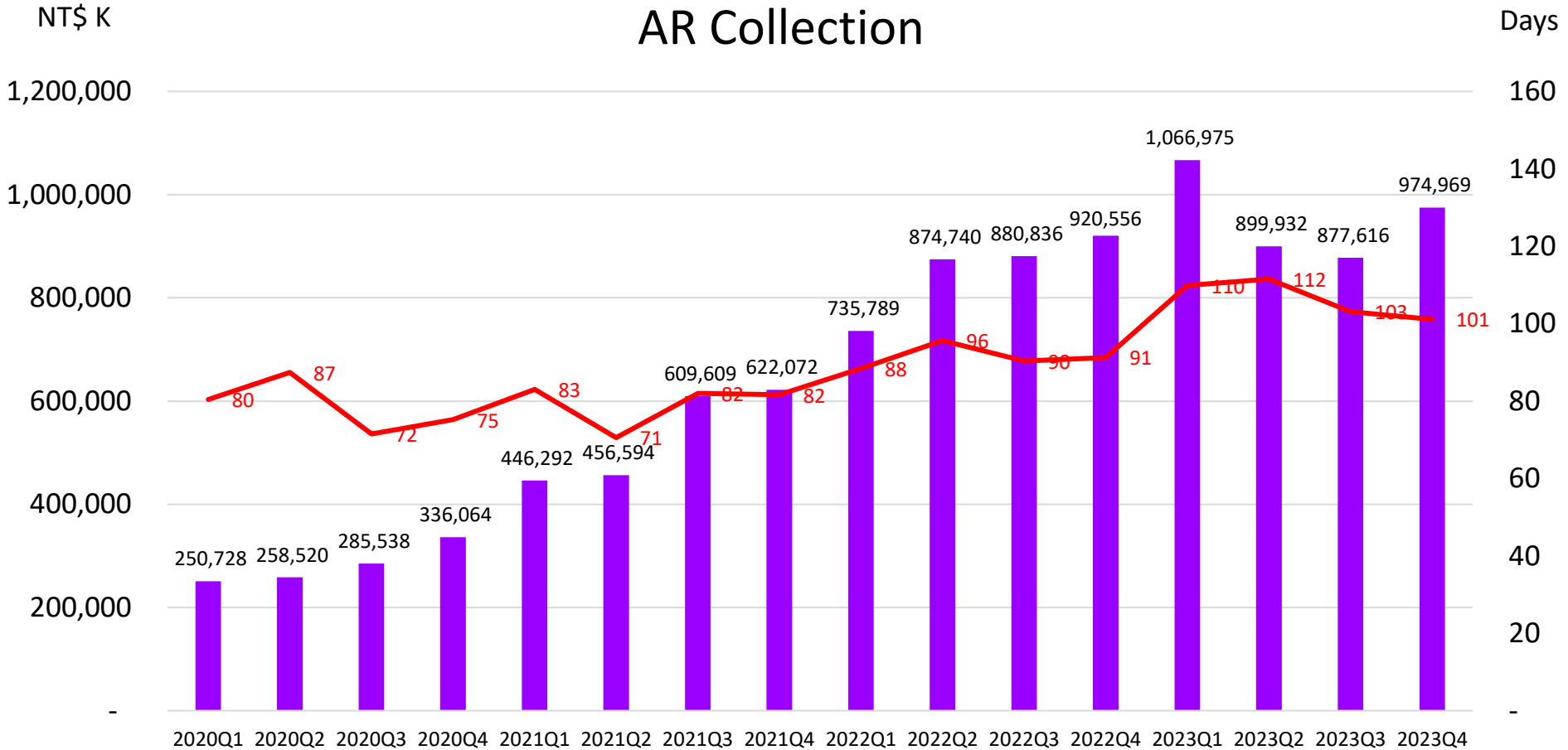


Net Worth per Share

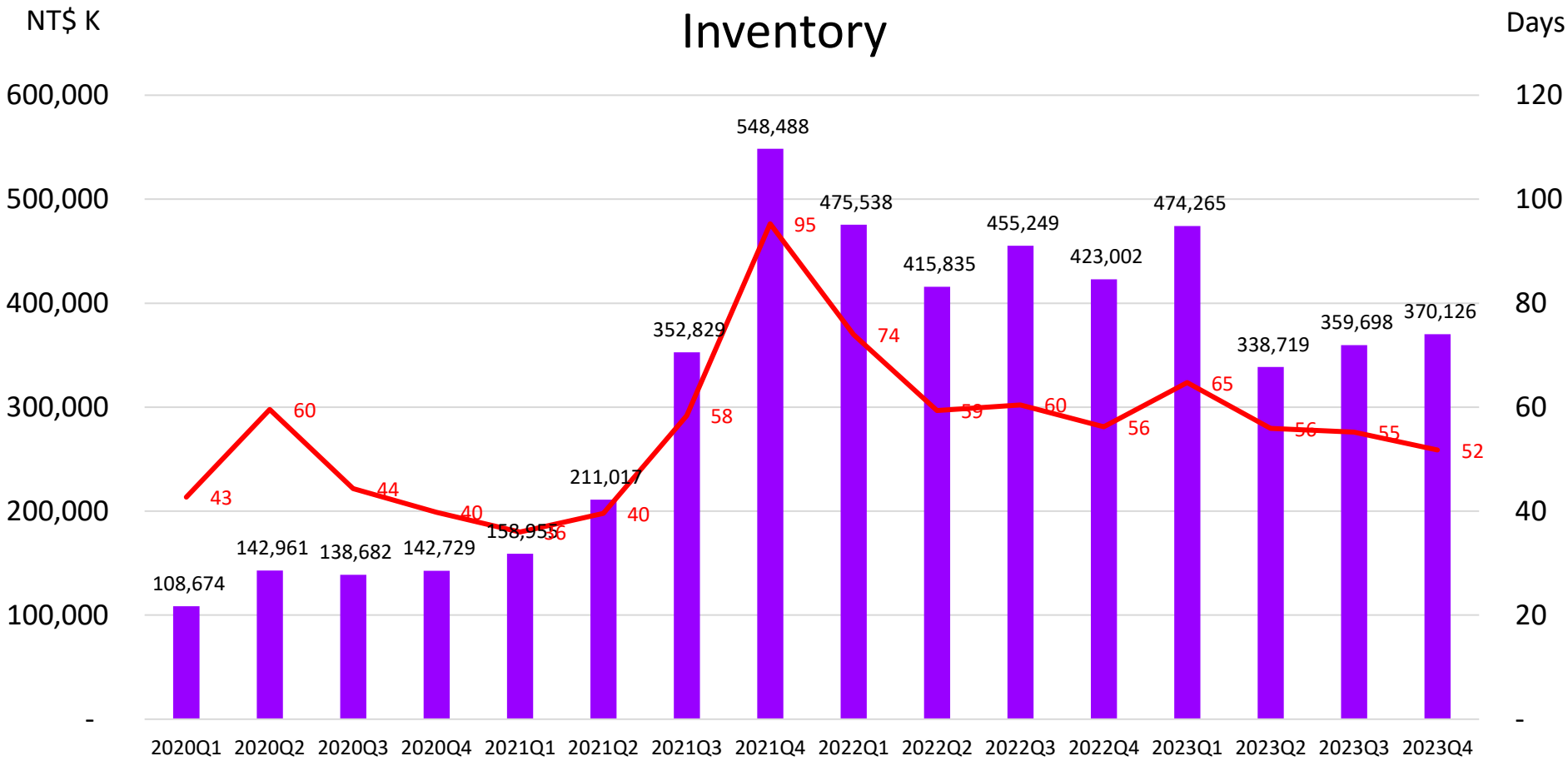
NT\$

Net Worth Per Share





Inventory Turnover





Business Growth Strategies

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\$1.8B
Market Value NT\$7B





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

Future Business Growth Drivers

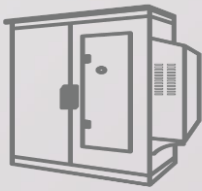


TPMS

- OE
- Replacement
- Fleet

- Semiconductor Fab
- Community
- Data Center

LIB Pack



IPC

- Commercial Vehicle
- Industrial Vehicle
- Rugged Portable/Wearable



TPMS



IPC

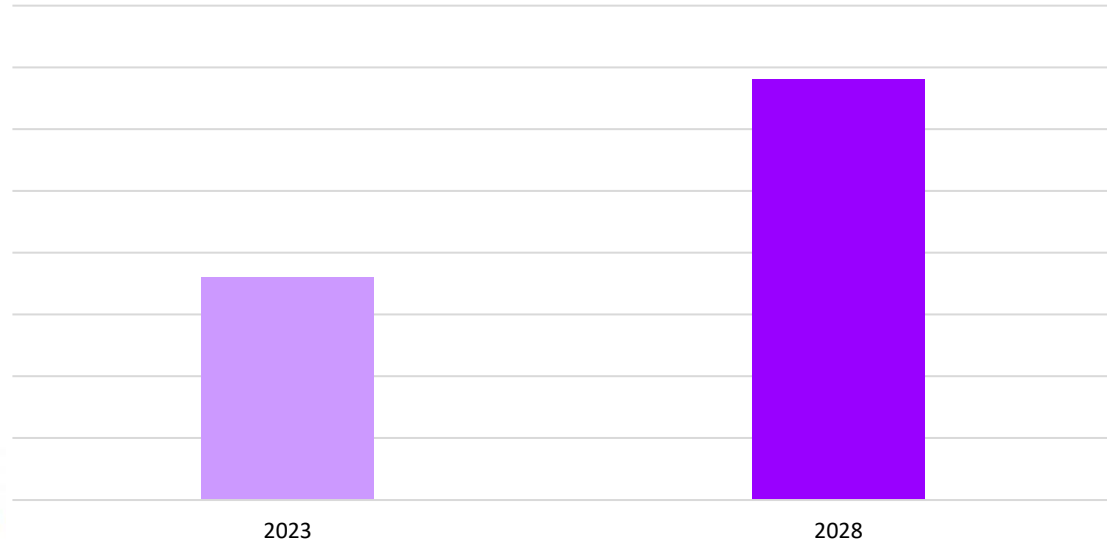


LIB Pack

TPMS Market Growth

- ◆ 2023~2028 CAGR > 13%.
- ◆ Market Preference on ADAS Plays a Significant Role in TPMS Growth.
- ◆ Largest Market: North America.
- ◆ Fastest Growing Market: Asia-Pacific.

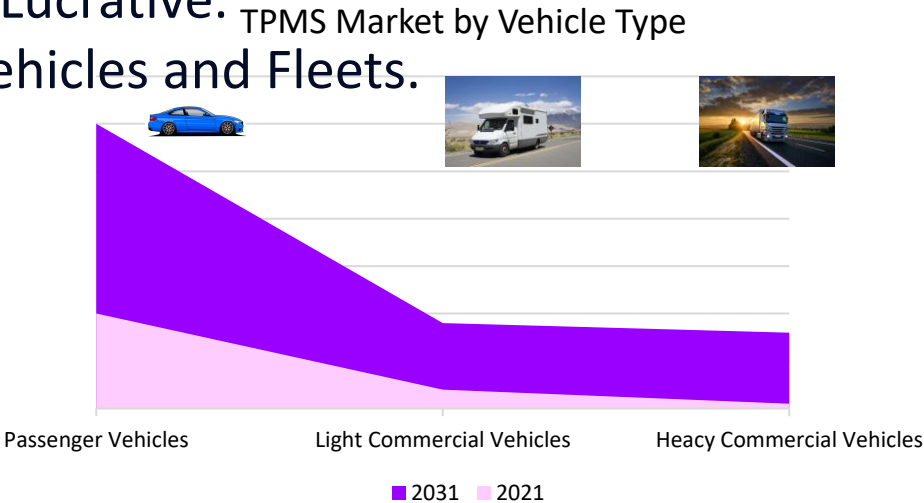
Automotive TPMS Market Size
CAGR > 13%



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

BLE TPMS Growth Opportunities

- ◆ Most Passenger Vehicle OE Working on BLE-Based VAS Now.
- ◆ OE and Aftermarket BLE TPMS demands will follow accordingly.
- ◆ 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.
- ◆ Commercial Vehicle Market the Most Lucrative.
- ◆ BLE TPMS Excellent for Commercial Vehicles and Fleets.



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

1. Driven by AI, Cloud Service Providers (CSP) are actively expanding, with data centers expected to increase more than threefold in the next six years
2. President Biden of the USA 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
3. The growing demand for Smart Construction has accelerated the adoption of Artificial Intelligence (AI) and the Internet of Things (IoT) applications

<https://www.srgresearch.com/articles/hyperscale-data-center-capacity-to-almost-triple-in-next-six-years-driven-by-ai>

AI Value Added Vertical Market

Rugged AIOV Computing & Control



Rugged Handheld AIoT Device

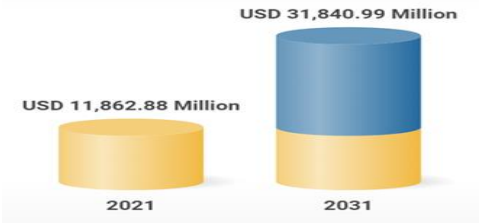


Enterprise Wearable AIR Device



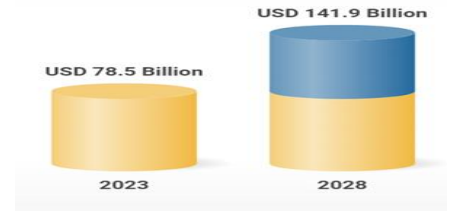
Global Autonomous Construction Market

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



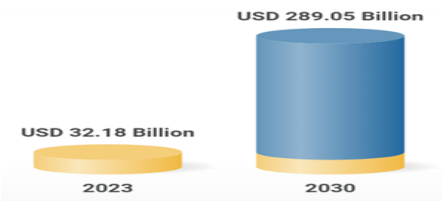
Global Geospatial Analytics Market

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

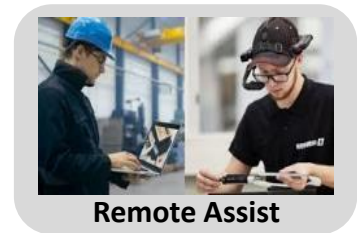


- Global No.1 Enterprise AR Head Mount Device/Smart Glasses.
- 41 of Fortune 100 Companies have deployed RealWear devices.

SYSGRATION® + **realwear.**



Telehealth



Remote Assist

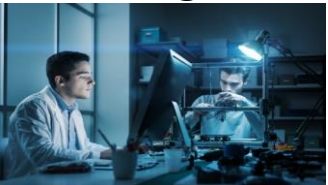


Vision Picking



AR SOP

Design



Manufacturing



Distribution



Service












AI Integration



← **Comprehensive Cooperation Strategy Partner** →

Power Tank Target Market

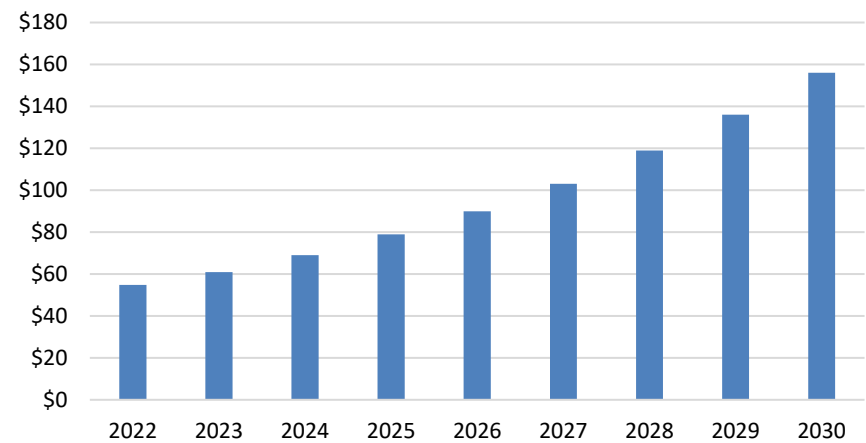


Region / Product		China	Taiwan	US	ASEAN	EU
						
Installation site based	Large Scale ESS 					
	Distributed ESS 					
Customer based	UPS Battery 					
	BBU 					

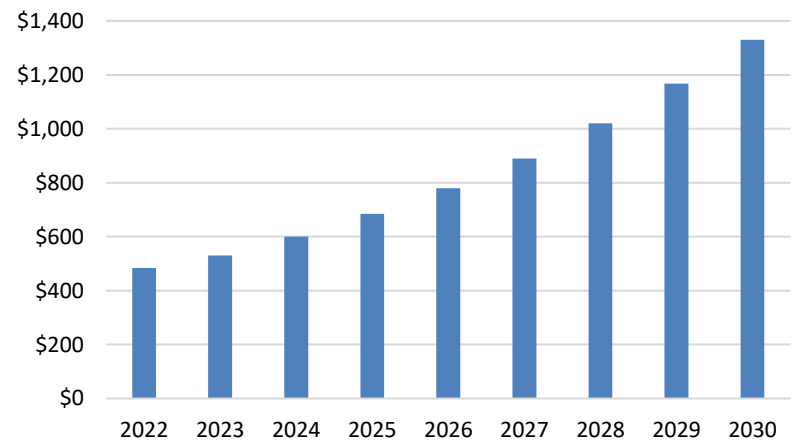
Global DC colocation market size was **US\$55B** in 2022, with **14.2%** CAGR from 2023~2030.

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

Global Data Center Market Size



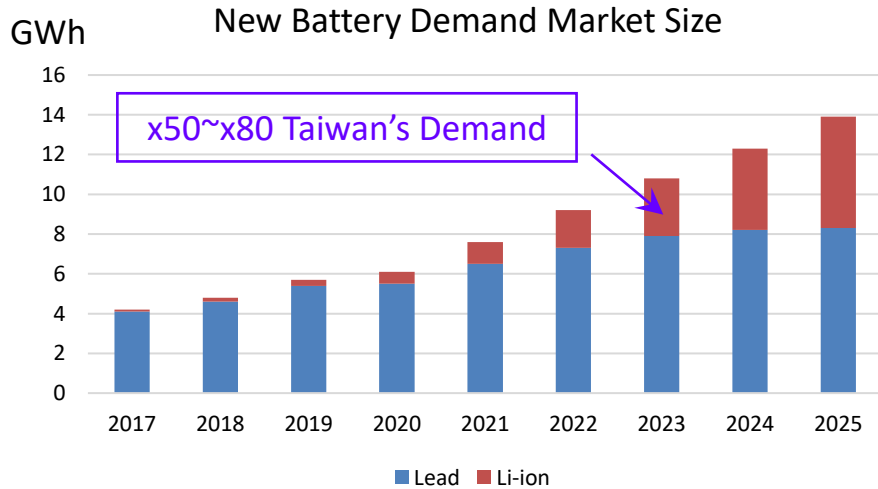
Global Cloud Computing Market



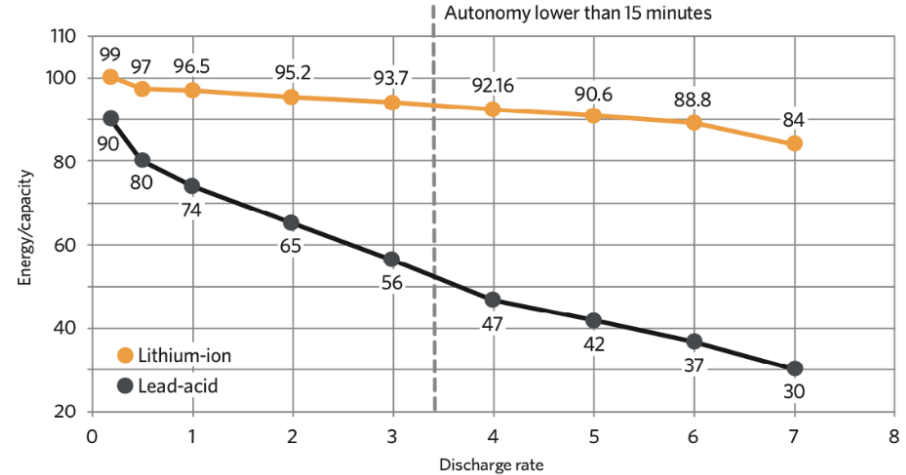
With 10% Lead-Acid to LIB Transformation Rate, around US\$700M LIB Business in 2022.

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

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



Telecom & Data Center Market



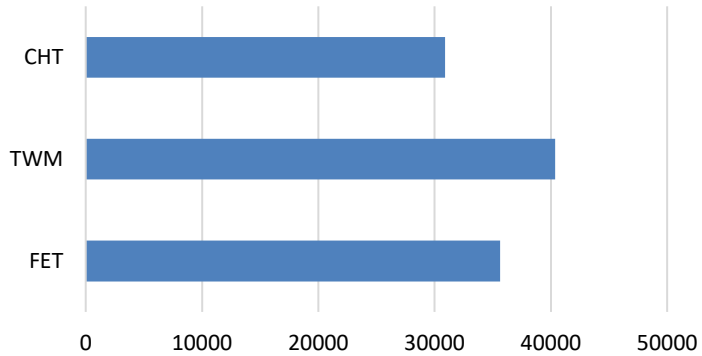
Lead-Acid vs Li-Ion Battery Discharge Efficiency

<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>



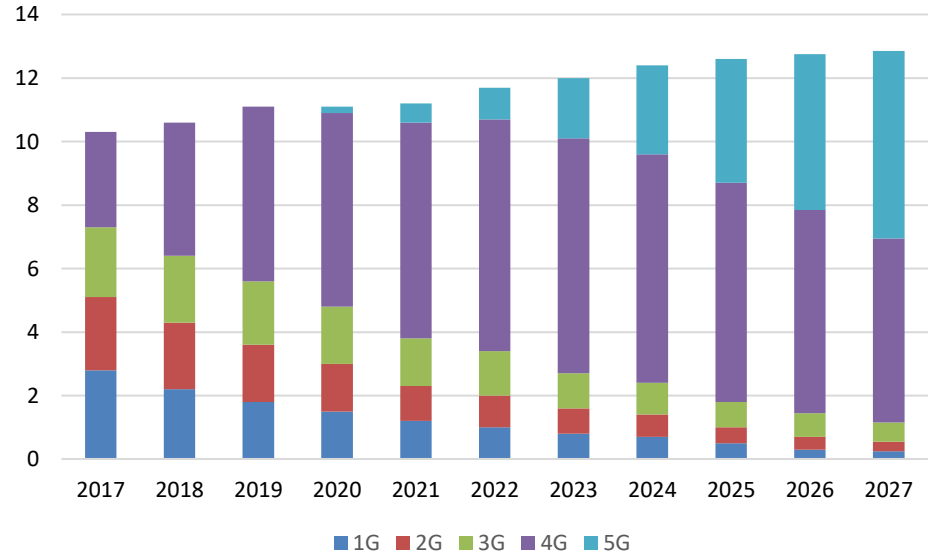
Li-Ion Battery Pack for Base Stations

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





**WE ARE
EXCITED TO
WELCOME
SYSGRATION
TO PLANO**



**WE ARE CONFIDENT THAT
THEIR PRESENCE WILL
CONTRIBUTE TO ENHANCING
THE ECONOMIC AND
CULTURAL FABRIC OF THE
CITY OF PLANO.**

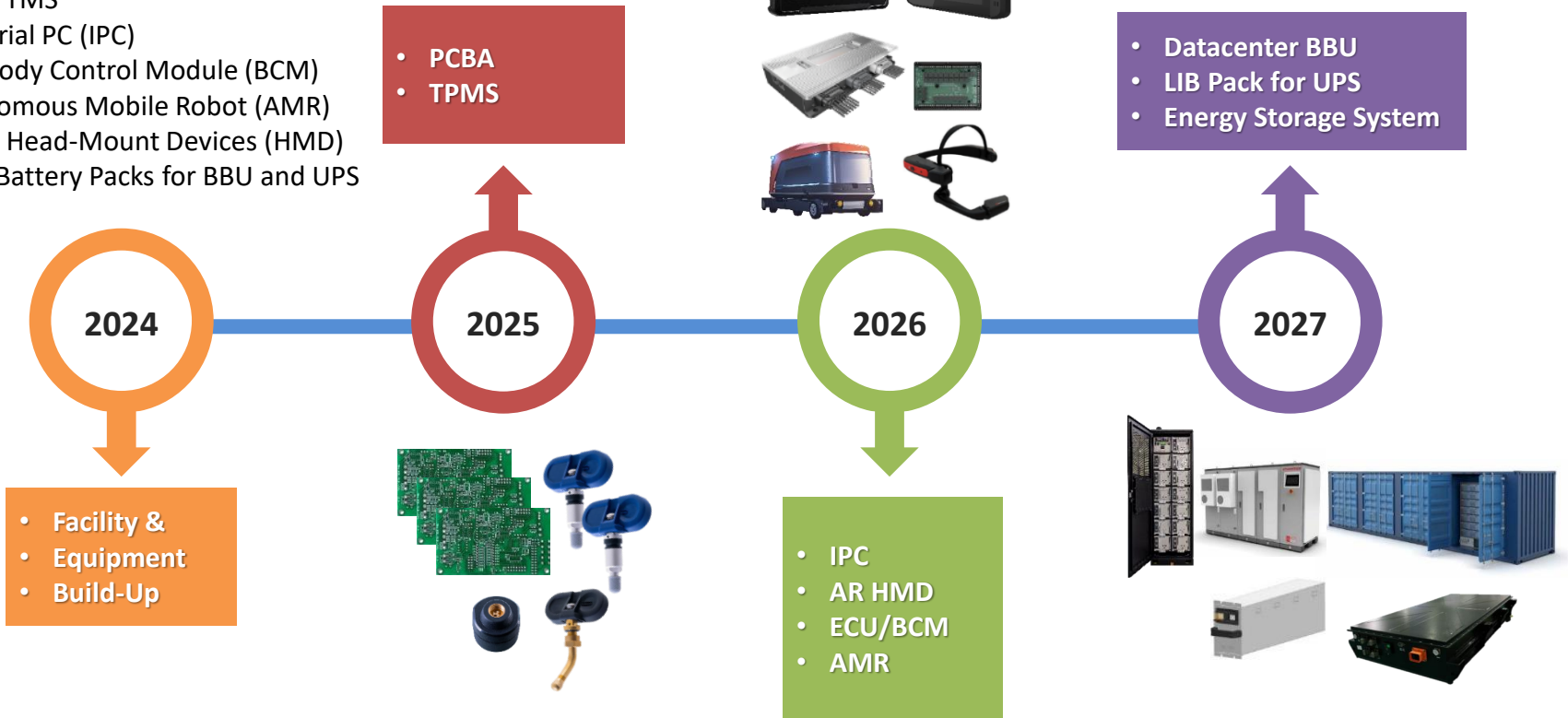
— MAYOR JOHN B. MUNS



US Factory Planned Product Portfolio

➤ Product Portfolio:

- ✓ PCBA Production
- ✓ TPMS, TMS
- ✓ Industrial PC (IPC)
- ✓ ECU/Body Control Module (BCM)
- ✓ Autonomous Mobile Robot (AMR)
- ✓ AR/VR Head-Mount Devices (HMD)
- ✓ Li-ion Battery Packs for BBU and UPS



2024

↓

- Facility & Equipment Build-Up

- PCBA
- TPMS

2025



2026

↓

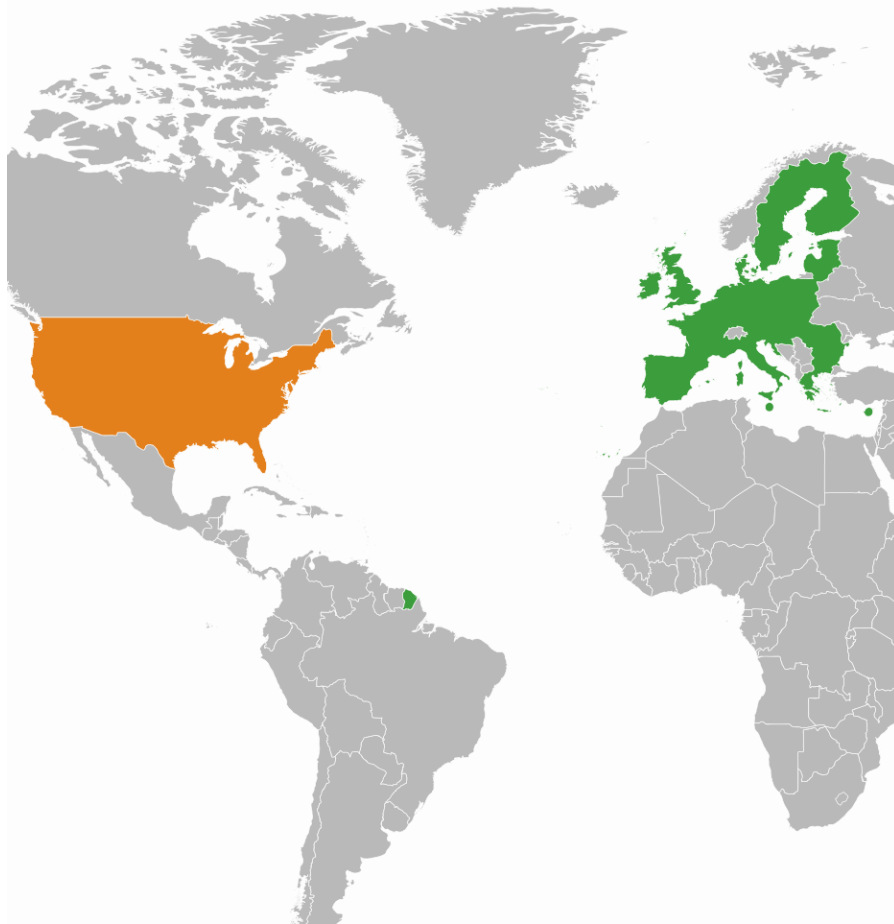
- IPC
- AR HMD
- ECU/BCM
- AMR

- Datacenter BBU
- LIB Pack for UPS
- Energy Storage System

- Datacenter BBU
- LIB Pack for UPS
- Energy Storage System

2027







ESG Direction



Asia Sustainability Reporting Awards – Finalists

Taiwan Finalists	Capital (NT\$ B)	Report (Large Company)	First Time	Governance	CEO Letter	Human Right	SDG	Materiality	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



Strategic Partner Symposium

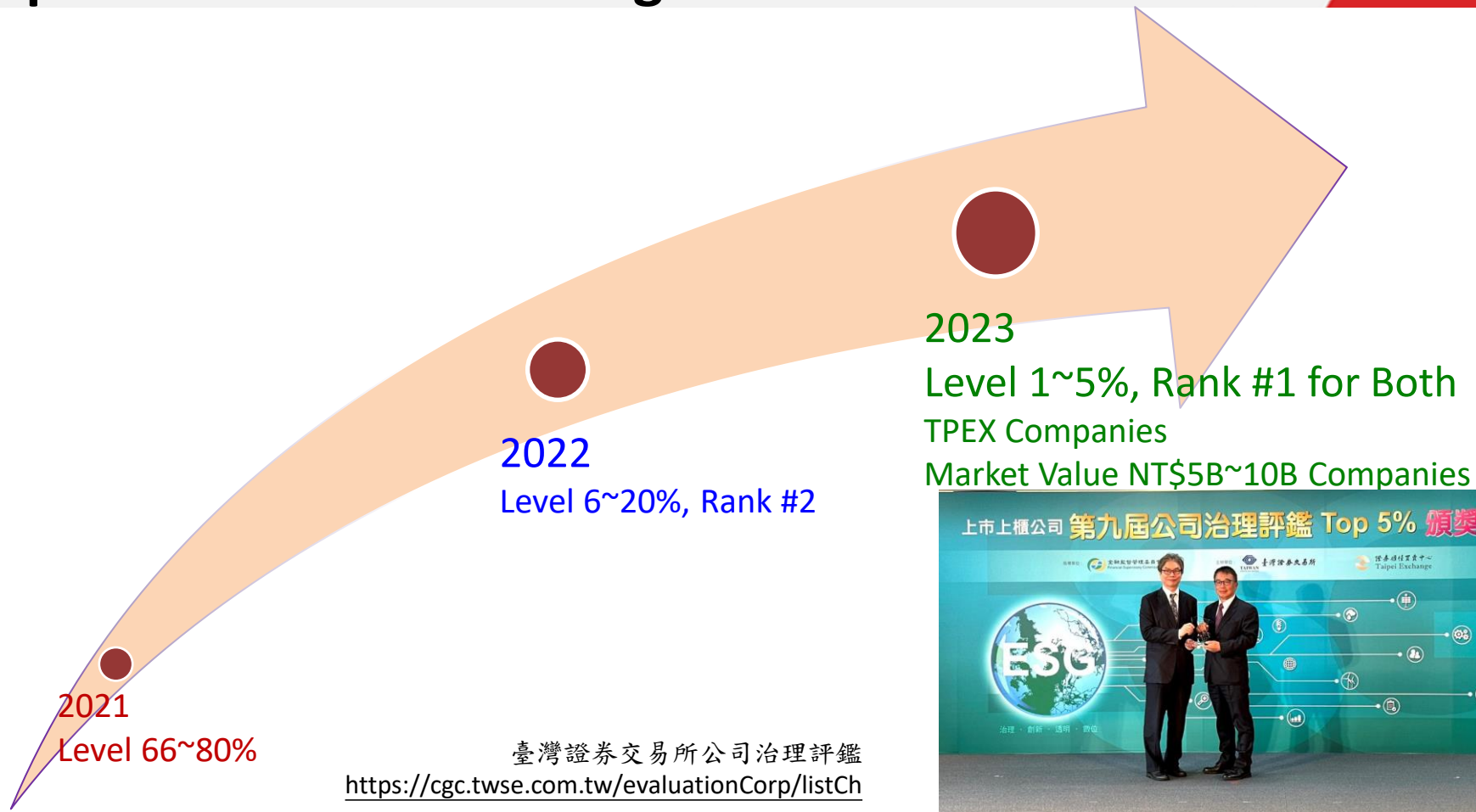
- ◆ March 22, 2024 (Friday) 18:20
- ◆ Grand Victoria Hotel
No. 168, Jingye 4th Road, Zhongshan District, Taipei City

Agenda

- ◆ Welcome Speech - Mark Lee, Sysgration Chairman
- ◆ Keynote Speech: Taiwan's Industrial Outlook Amidst Global Drastic Changes - Tsung-Yao Lu, Lu/Chang Equity Research CEO
- ◆ Business Outlook and ESG Target - TF Hsieh, Sysgration GM
- ◆ Project Report on Sustainable Supply Chain Management - Michael Liao, PwC
- ◆ Award

SYSGRATION®
系統電子工業股份有限公司

POWER TANK ENERGY
電統能源工業股份有限公司



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





Q&A





Thank You