

# Investor Conference

2022/12/8

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# Outline

- 01** **1** Corporate Strategies **Mark Lee**
- 02** **2** 2022/Q3 Operation Highlights **Sam Lee**
- 03** **3** 2023 Future Outlook **Sam Lee**
- 04** **4** Q&A



Corporate  
Strategies

## Social

- COVID-19 Pandemic
- Labor Shortage

## Technological

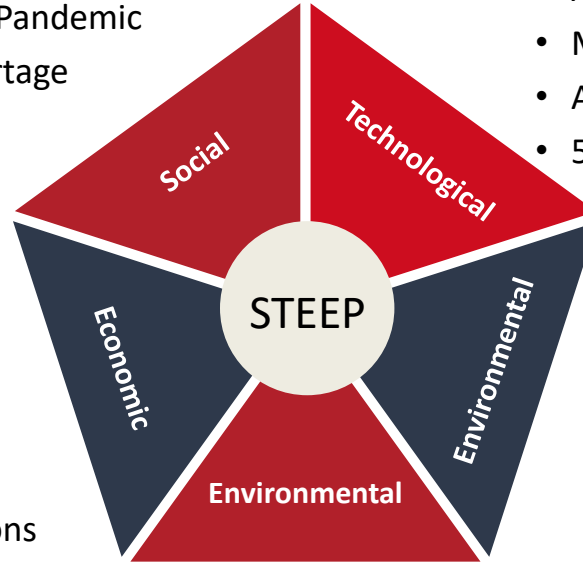
- AIoT & AIoV
- Metaverse(AR/MR/VR)
- Autonomous
- 5G

**Less Impact to  
Essential Sectors**

## Economic

- Inflation
- Rising Interest Rates
- Volatile Energy Prices
- Supply Chain Disruptions

**Global Production**



**Product Development  
Direction in line with  
Industry Trend**

## Environmental

- Climate issue
- Energy & Food Shortage

## Political

- Geopolitical Instability
- Trade Restriction
- De-Globalization

# Business Direction and Technical Advantages

## 車用工業電子應用 Automotive Solutions

## 能源儲能管理應用 Power and Energy Management

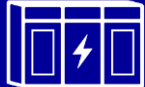


Tire Pressure Monitoring Systems

### 電動車 Electric Vehicle

- 1. TPMS CAGR >9%
- 2. EV CAGR >80%
- 3. 100-110 Patents

1  
  
EV


3  
  
ESS



Head-Mount AR Device

### 元宇宙/工業車聯網 Metaverse/IoV

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

2  
  
Metaverse

4  
  
Datacenter



Industrial PC

### 儲能系統 Energy Storage System

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



Container ESS



Energy Brick

### 資料中心電源 Datacenter BBU/BBS

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



Datacenter BBU

# Global Industrial Computing Trend

Commercial Vehicle



Rugged Vehicle



Rugged Tablet



RECREATIONAL VEHICLE

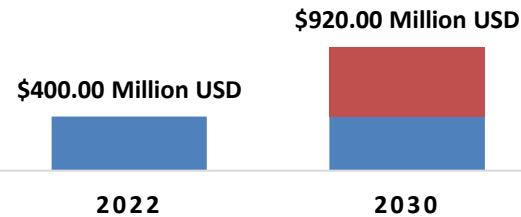
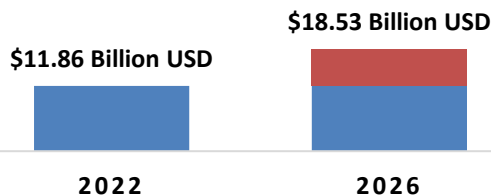
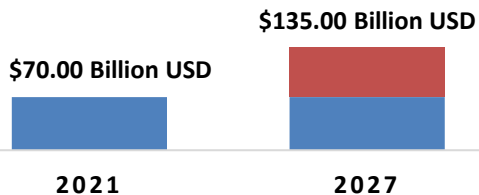
CAGR = 11.6%

AUTONOMOUS CONSTRUCTION

CAGR = 11.8%

ULTRA RUGGED TABLET

CAGR = 11.0%



RECREATIONAL BOATING

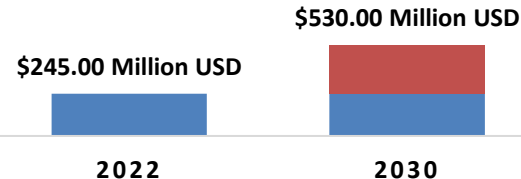
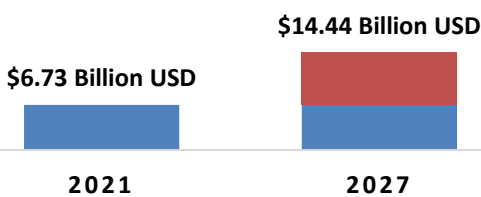
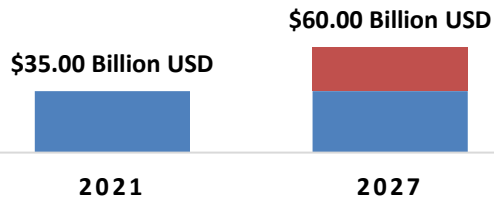
CAGR = 6.0%

PRECISION FARMING MARKET

CAGR = 13.6%

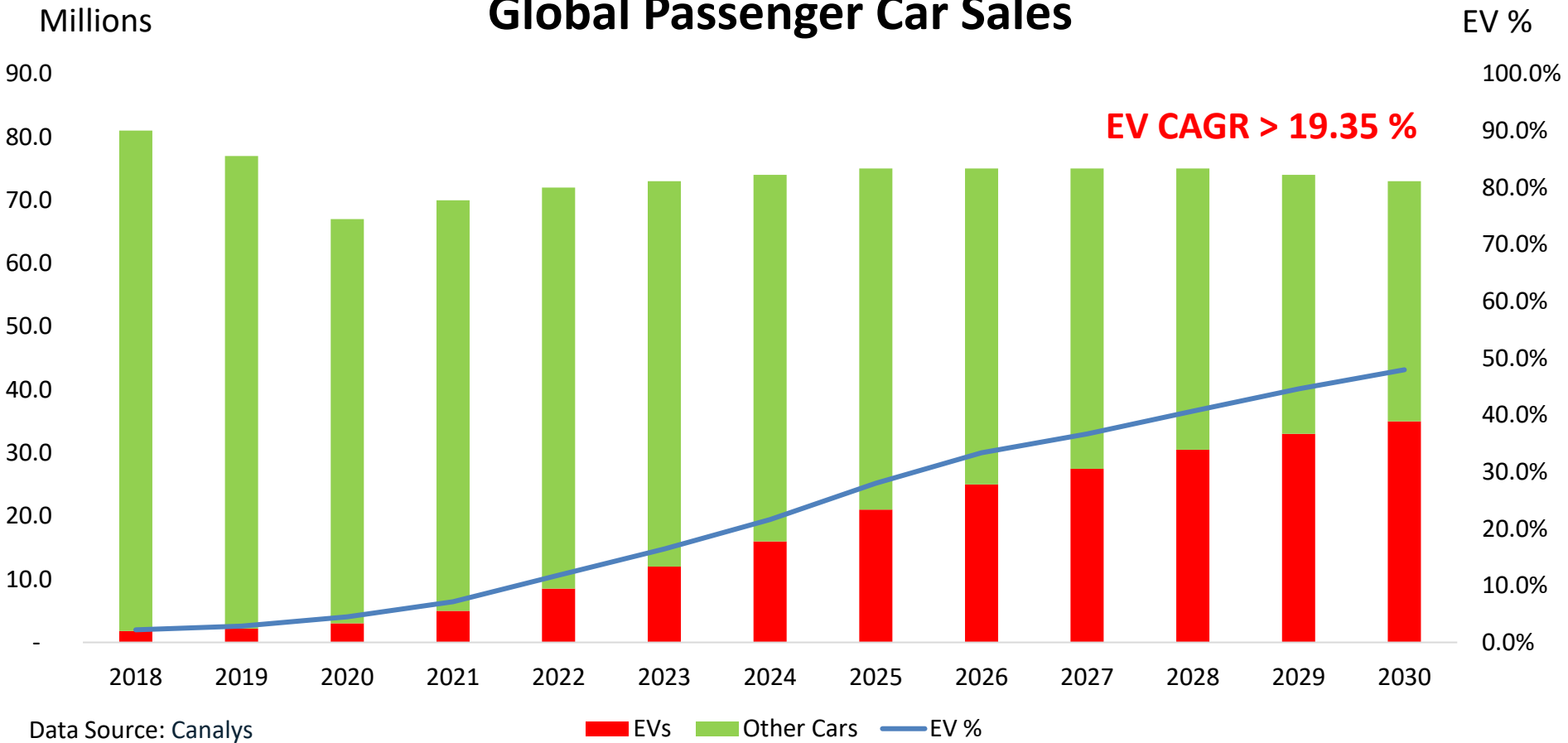
FULLY RUGGED TABLET

CAGR = 10.1%

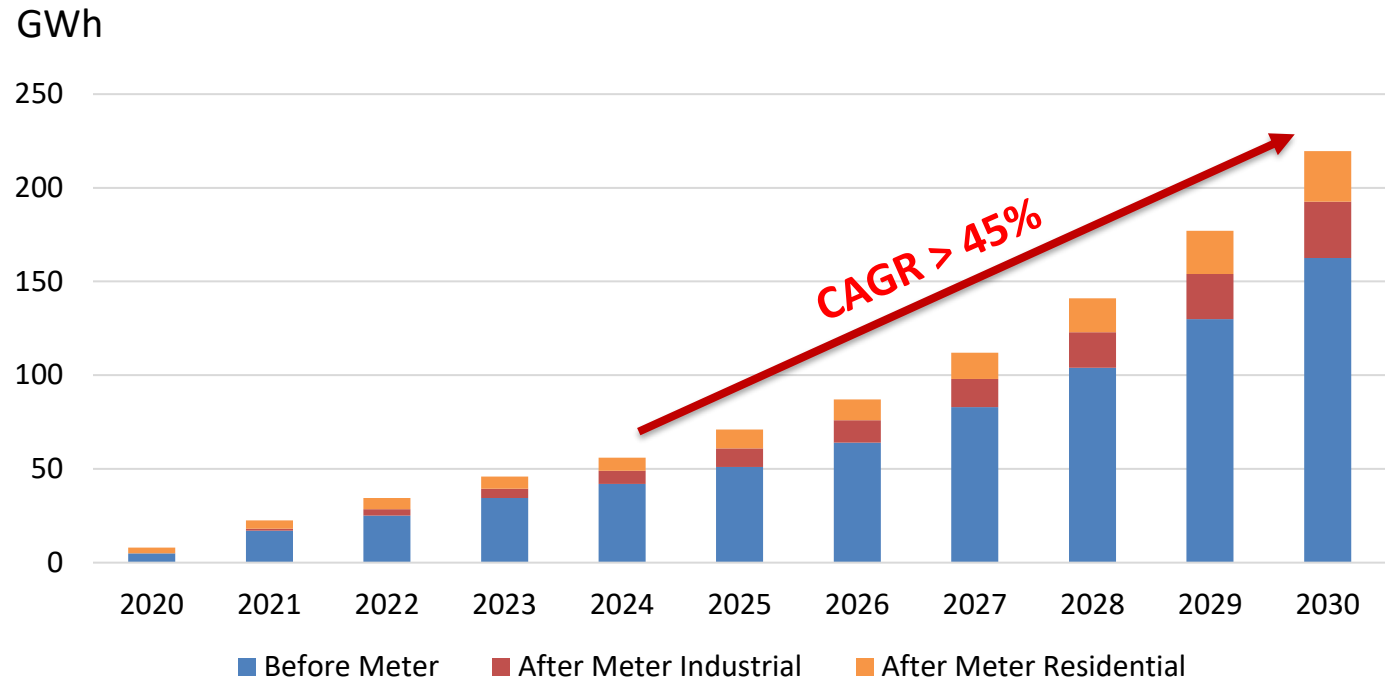


Source: Global Market Insights, Research and Markets, Reports and Data

## Global Passenger Car Sales



# Global Energy Storage Market



2020 → 2021 → 2025 → 2030  
 10GWh → 25GWh → 70GWh → 200GWh



不斷電系統  
UPS ESS



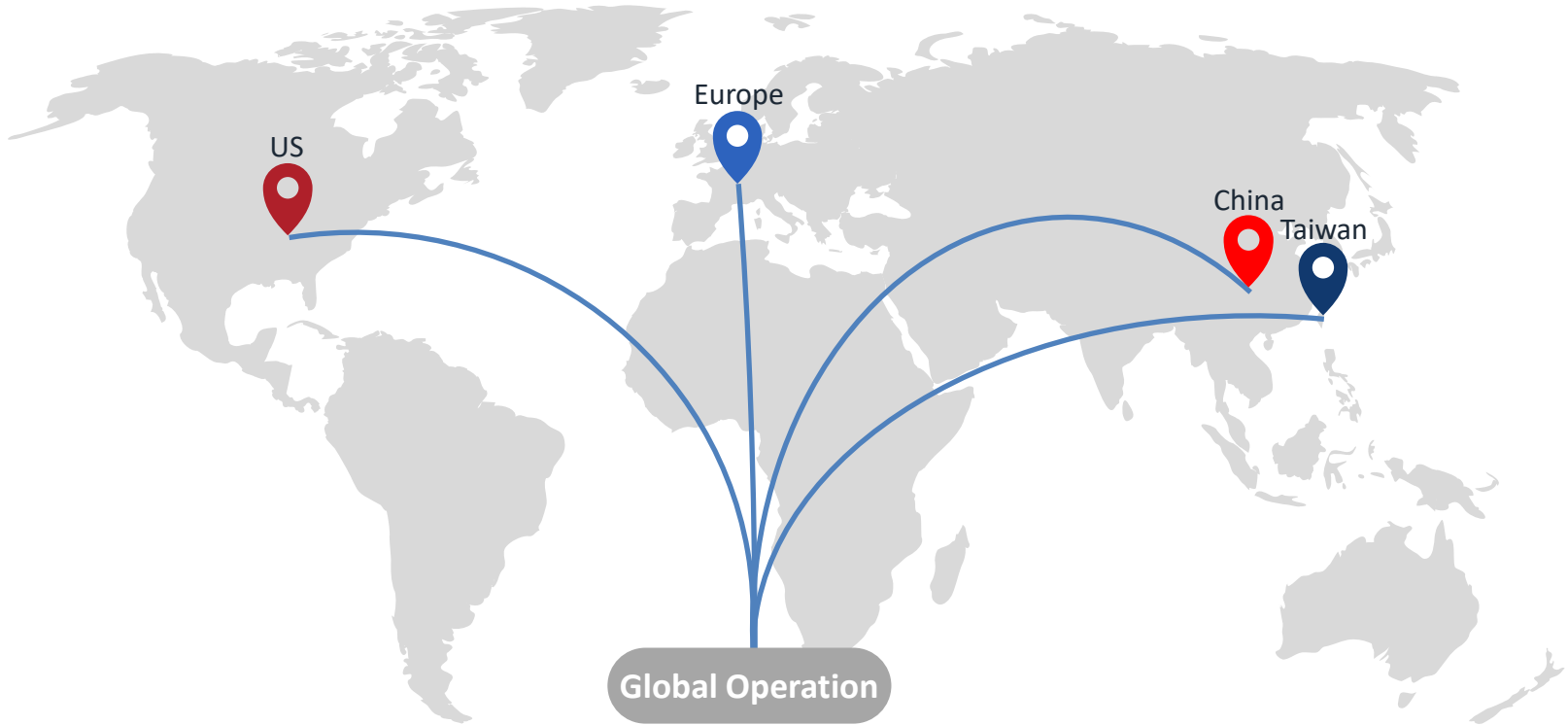
分散式儲能  
Distributed ESS

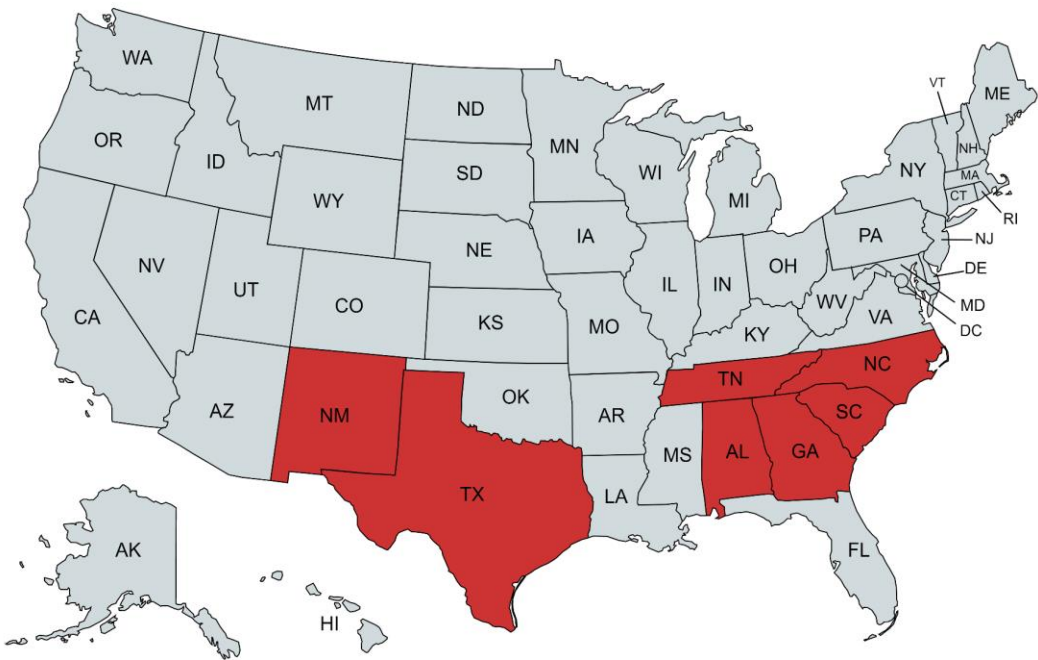


貨櫃式儲能  
Container ESS

Source: Statista InfoLink







- **Investment Amount:** US\$15M
- **Building Area:** 200,000~300,000 sqft
- **Production Line:** PCBA & Final Assembly
- **Product Line:** TPMS 2023, IPC & ESS 2024

# Future Business Outlook

- ◆ Russia-Ukraine war and the epidemic has little impact on the company's performance and operations.
- ◆ Inflation has a greater impact on consumer electronics products; the direction of operation will continue to focus on the development of high-growth markets such as automotive electronics, industrial computers, and energy storage management.
- ◆ Outlook for next year:
  - ◆ Although Energy Storage Q1 is affected, the growth momentum of TPMS and IPC is strong, expect double-digit growth throughout the year.
  - ◆ Three major product lines continue to expand with major international customers in Europe and America.
- ◆ Geopolitical influence drives U.S. supply chain and Production plans.
- ◆ The company's financial structure is more sound, and the outlook for future profits is optimistic.

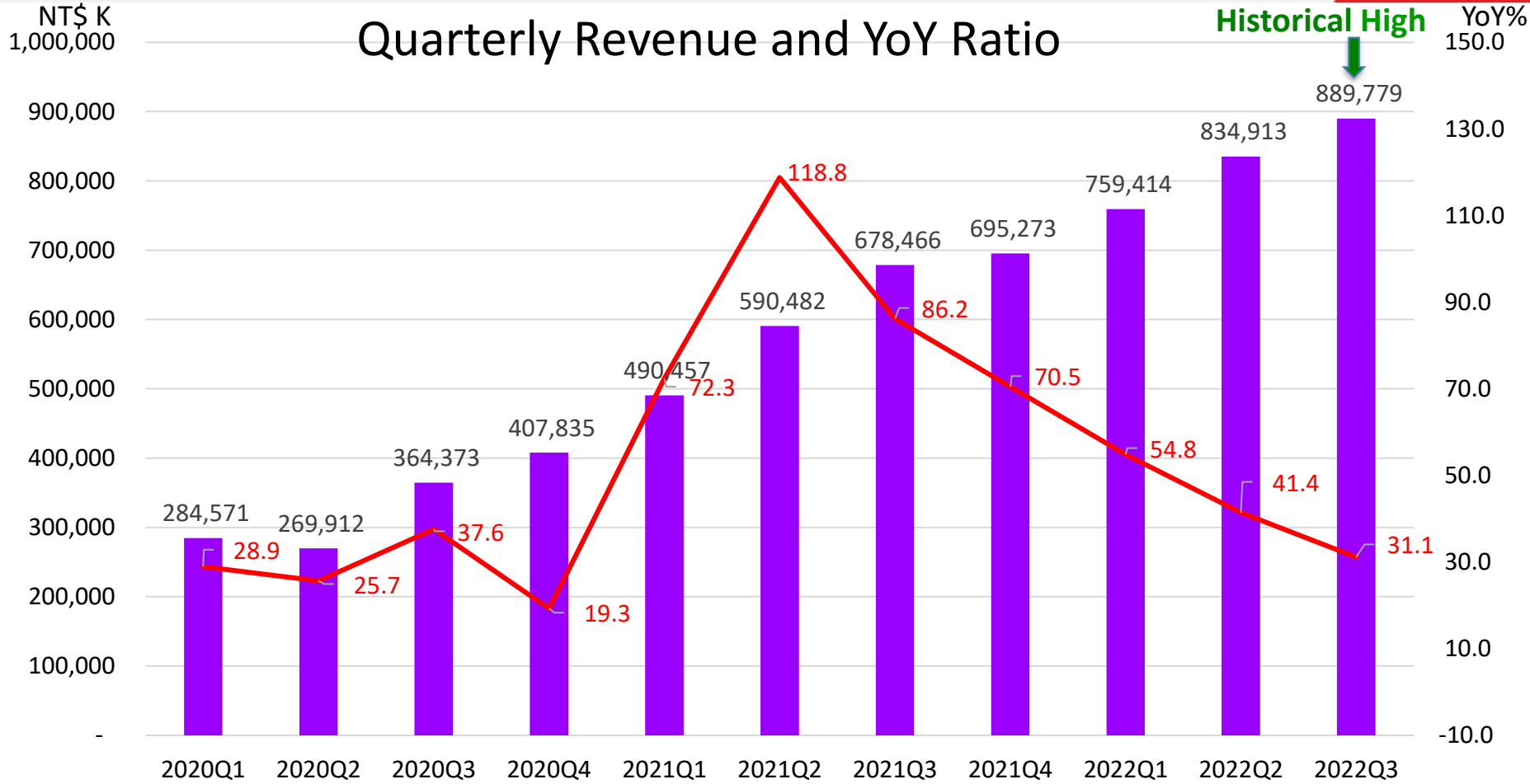


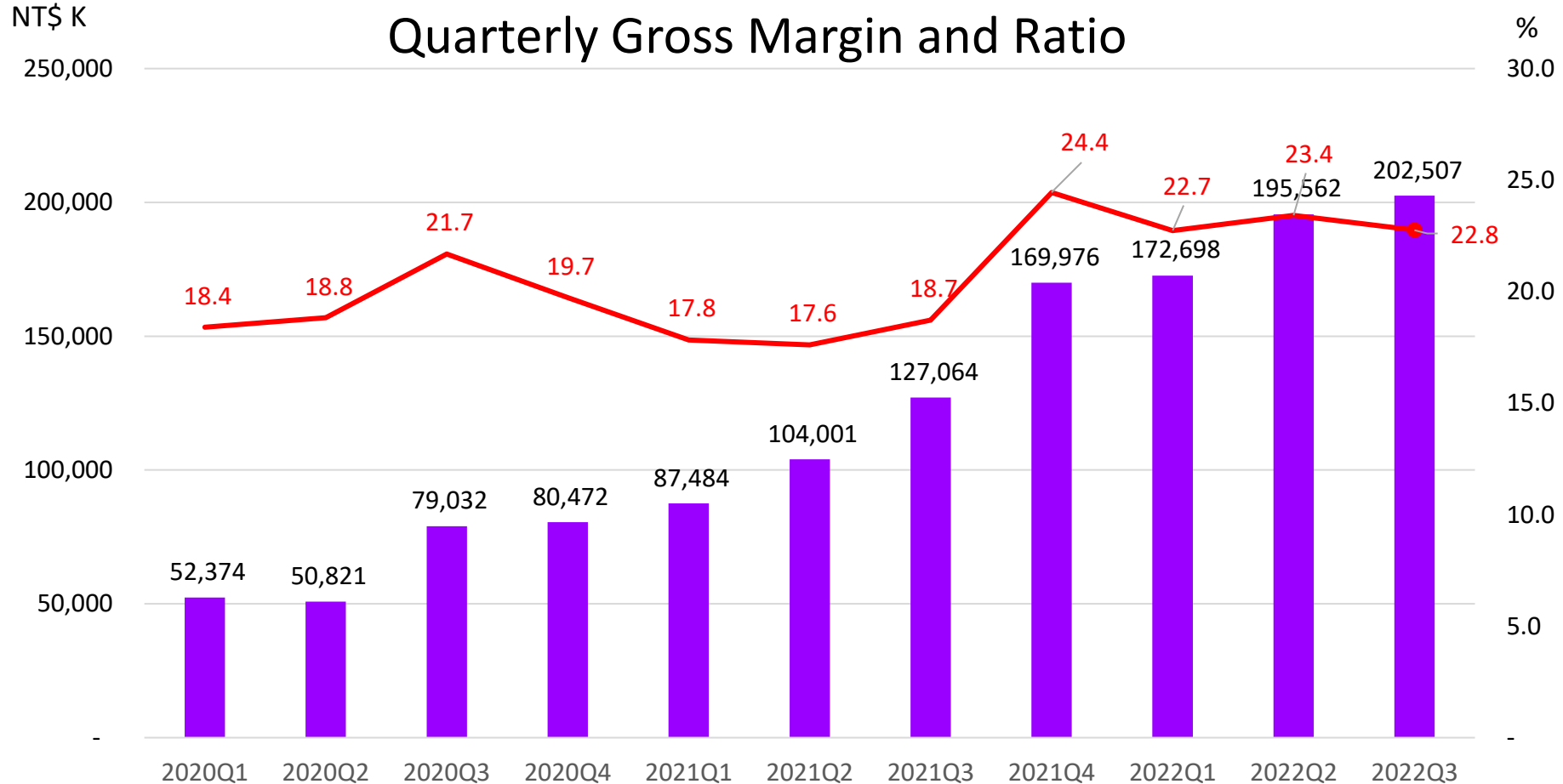
2022/Q3

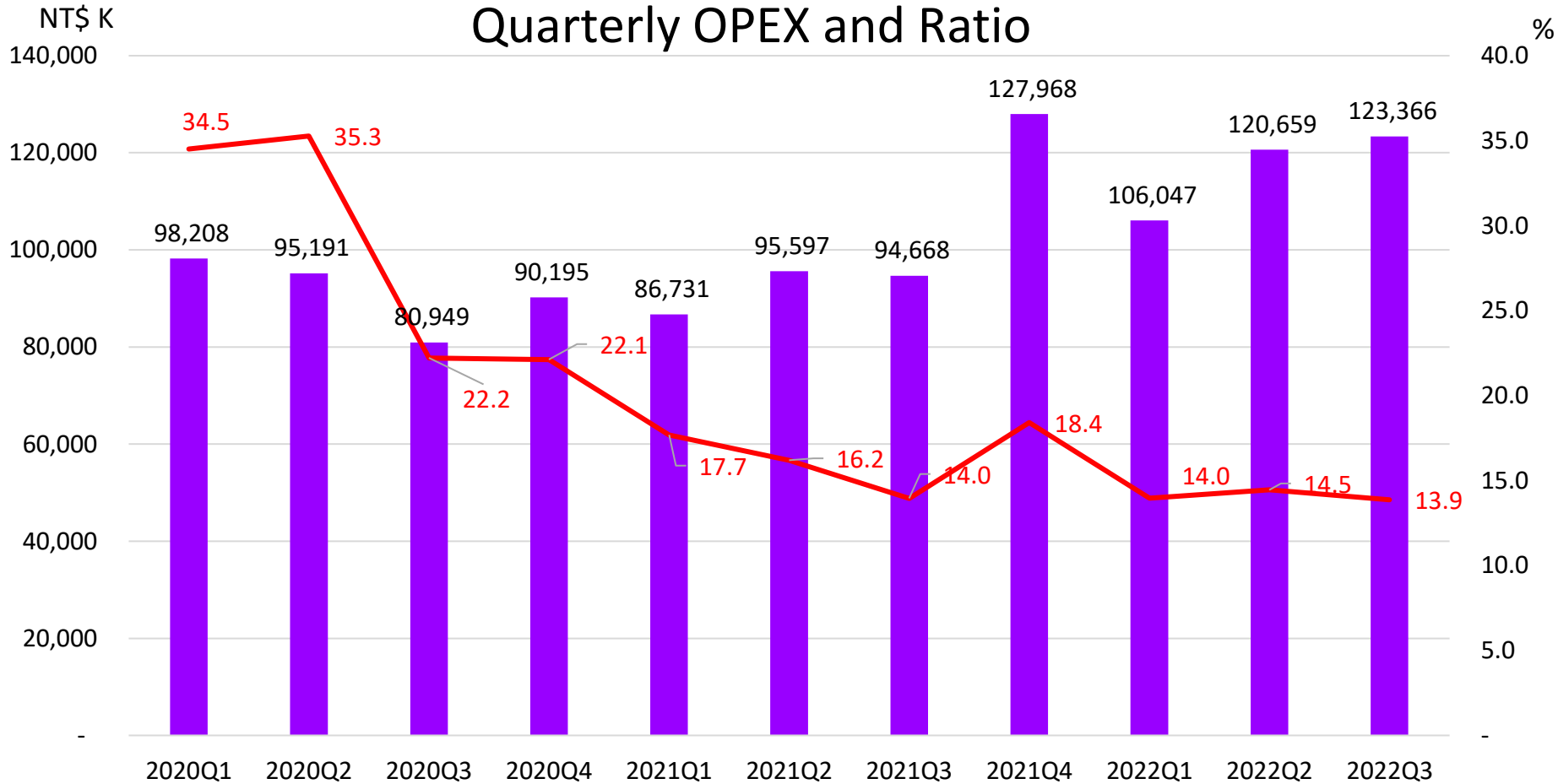
Operation  
Highlights

# Revenue

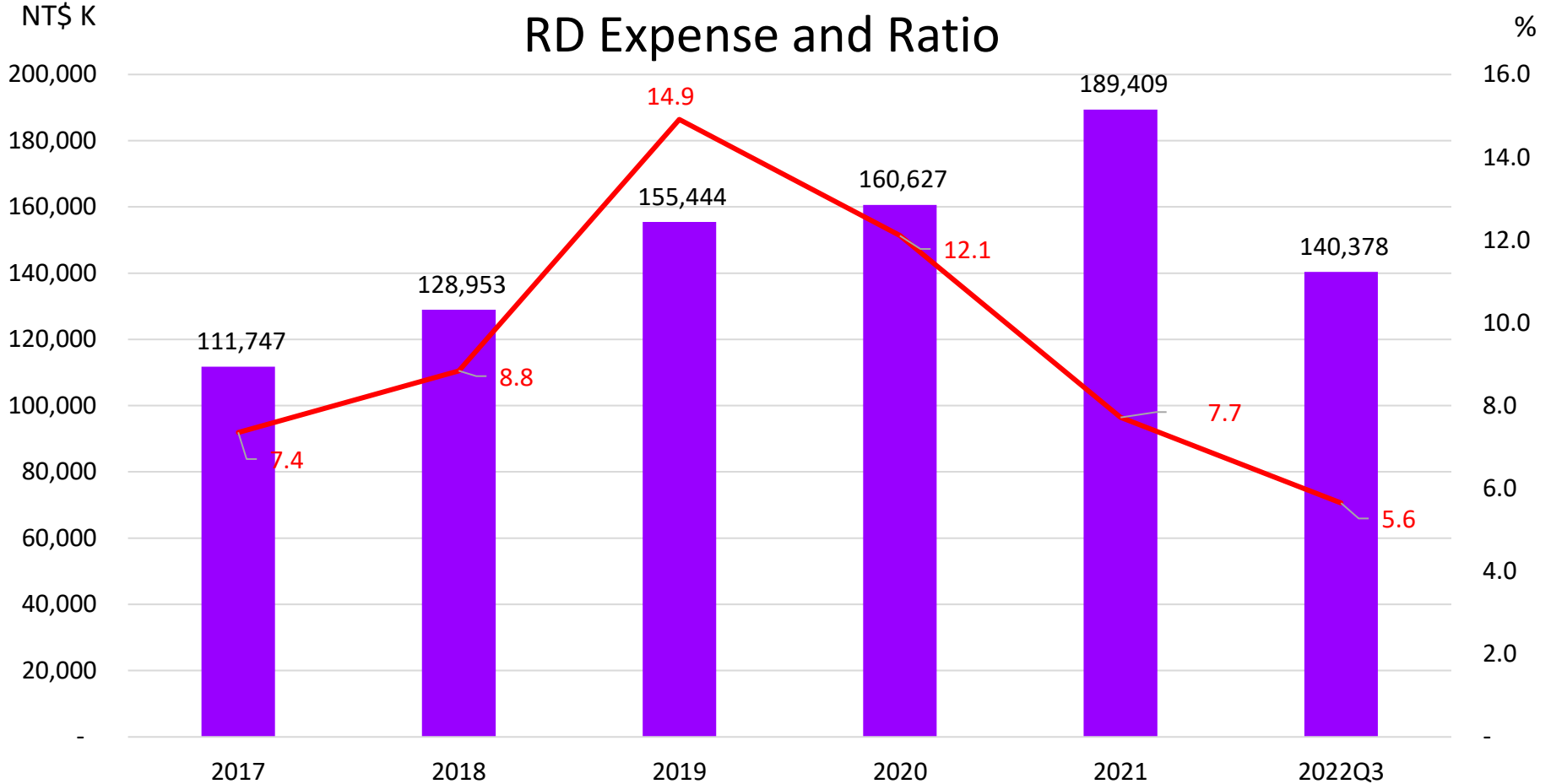
## Quarterly Revenue and YoY Ratio





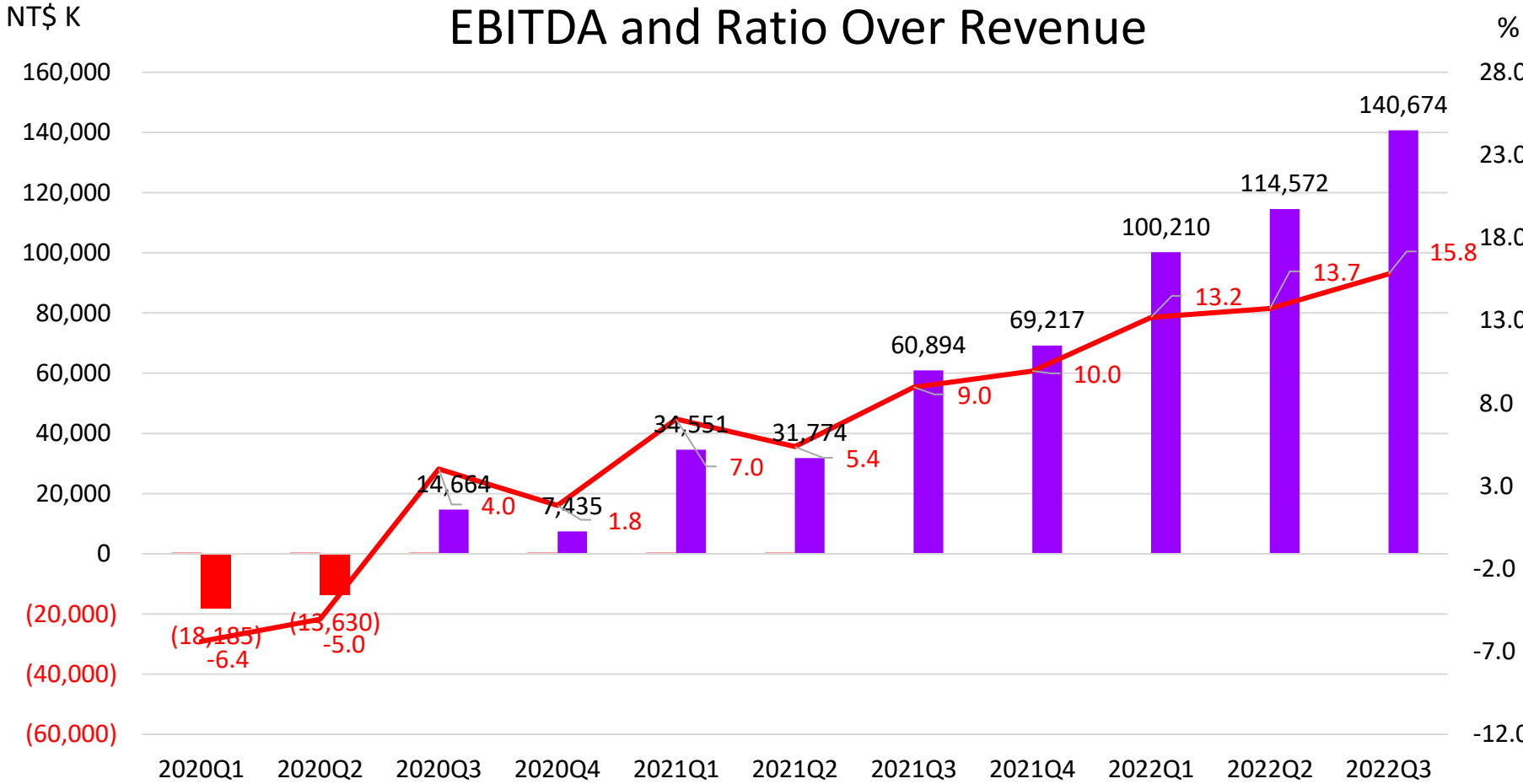


## RD Expense and Ratio





## EBITDA and Ratio Over Revenue

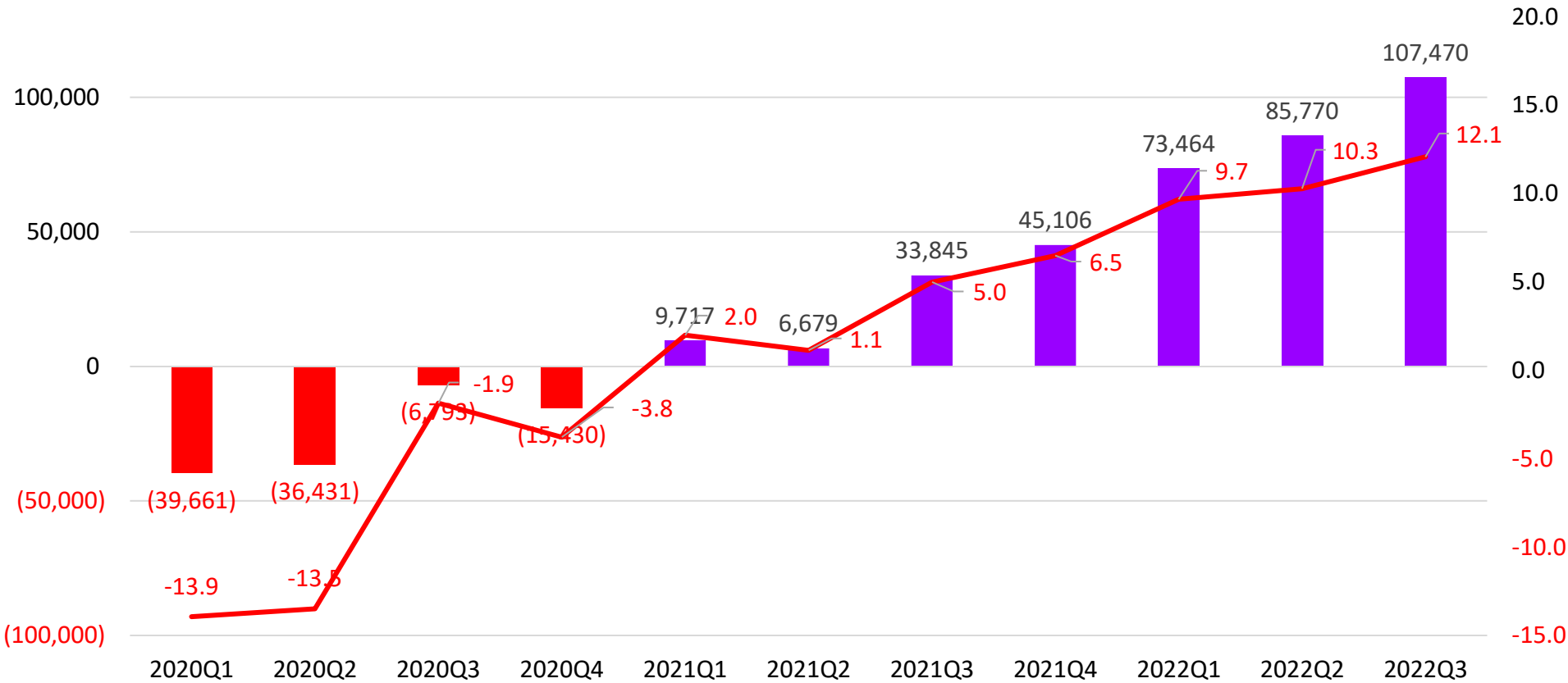


# Profit (Loss) after Tax

NT\$ K

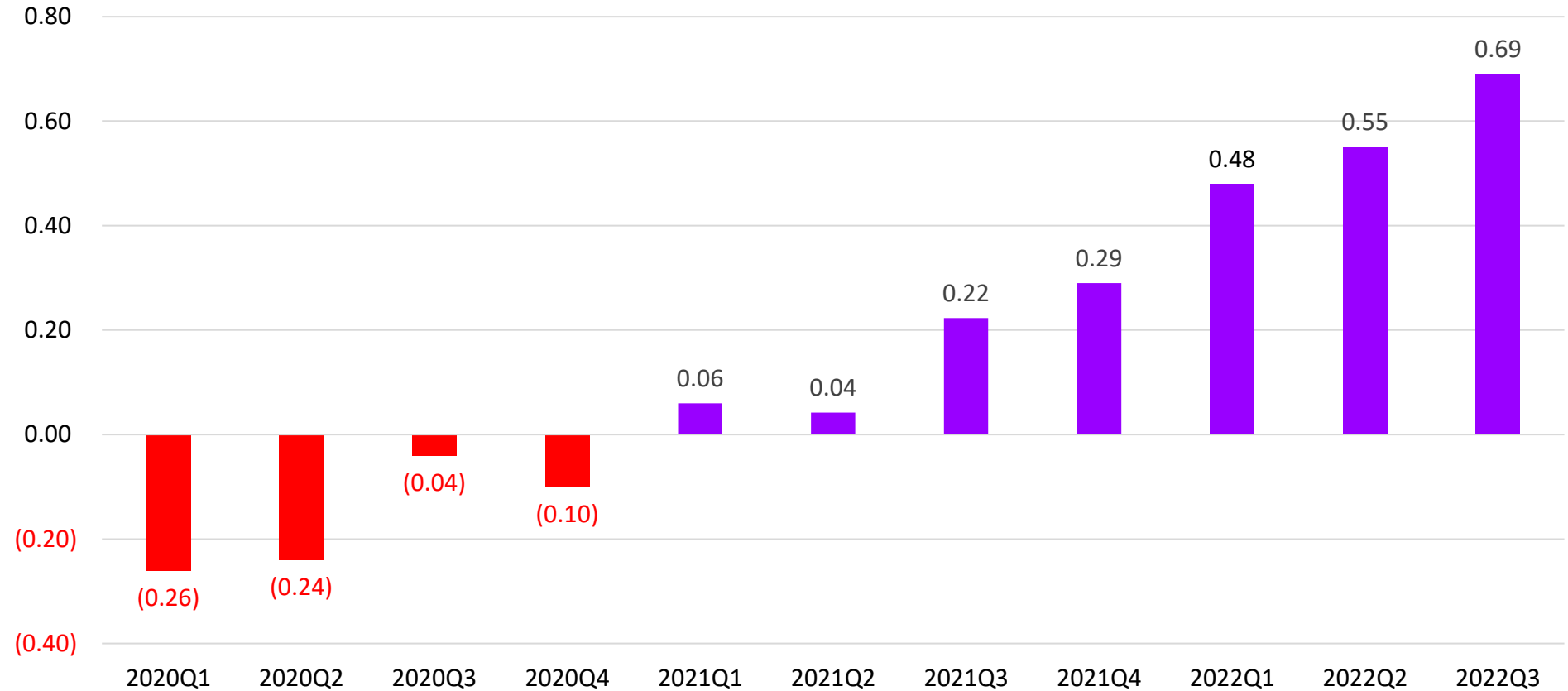
## Quarterly P/L after Tax and Ratio

%

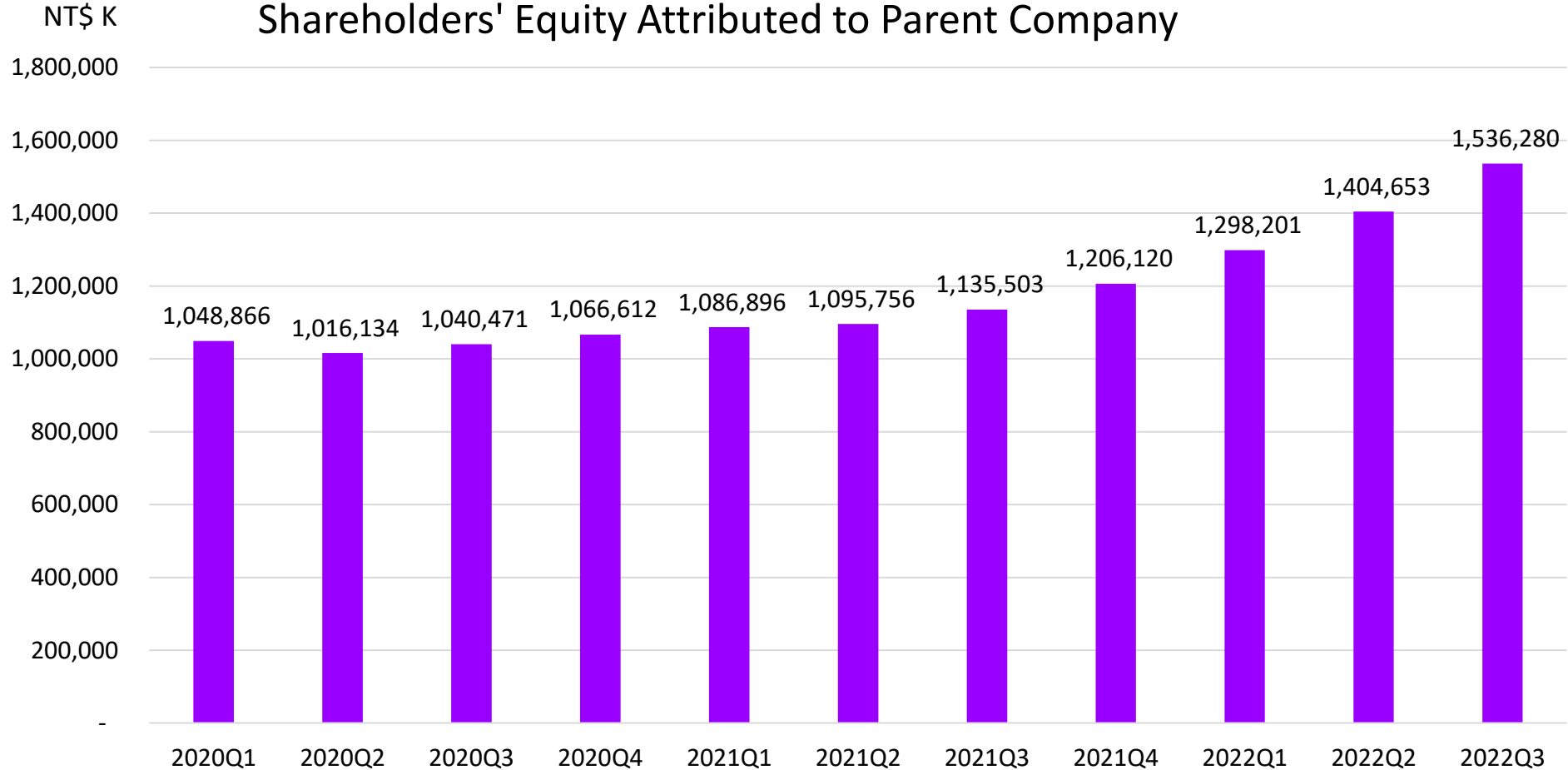


NT\$/Share

## Quarterly EPS

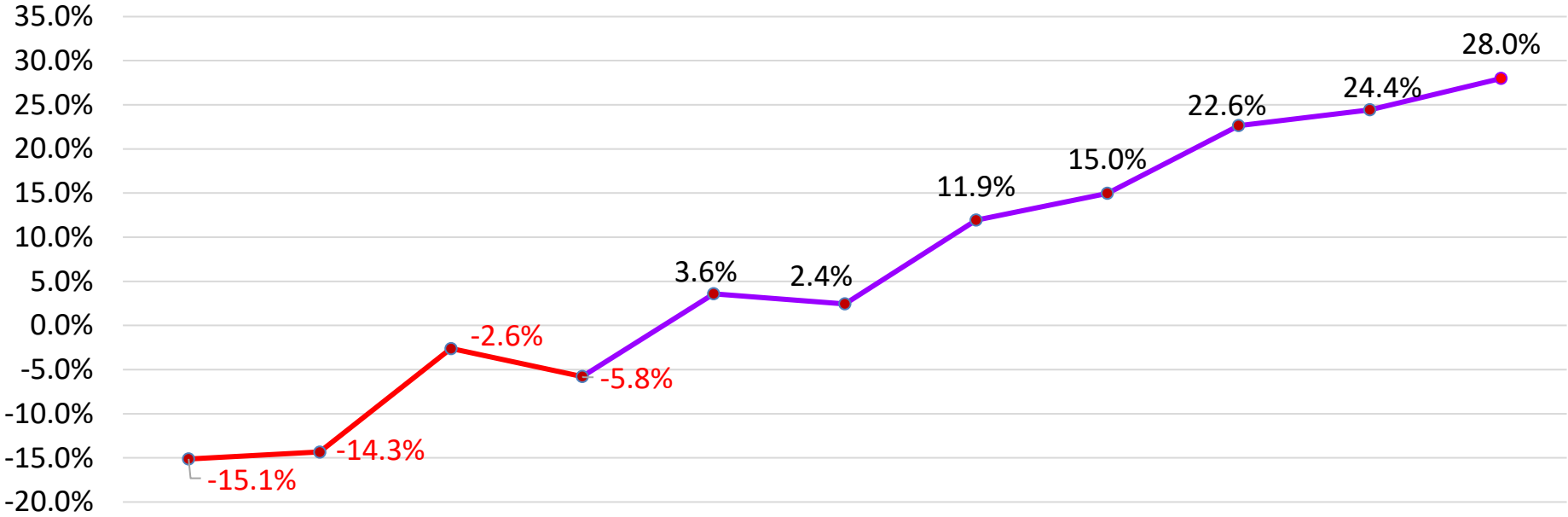


## Shareholders' Equity Attributed to Parent Company



# Return on Equity

## Quarterly ROE



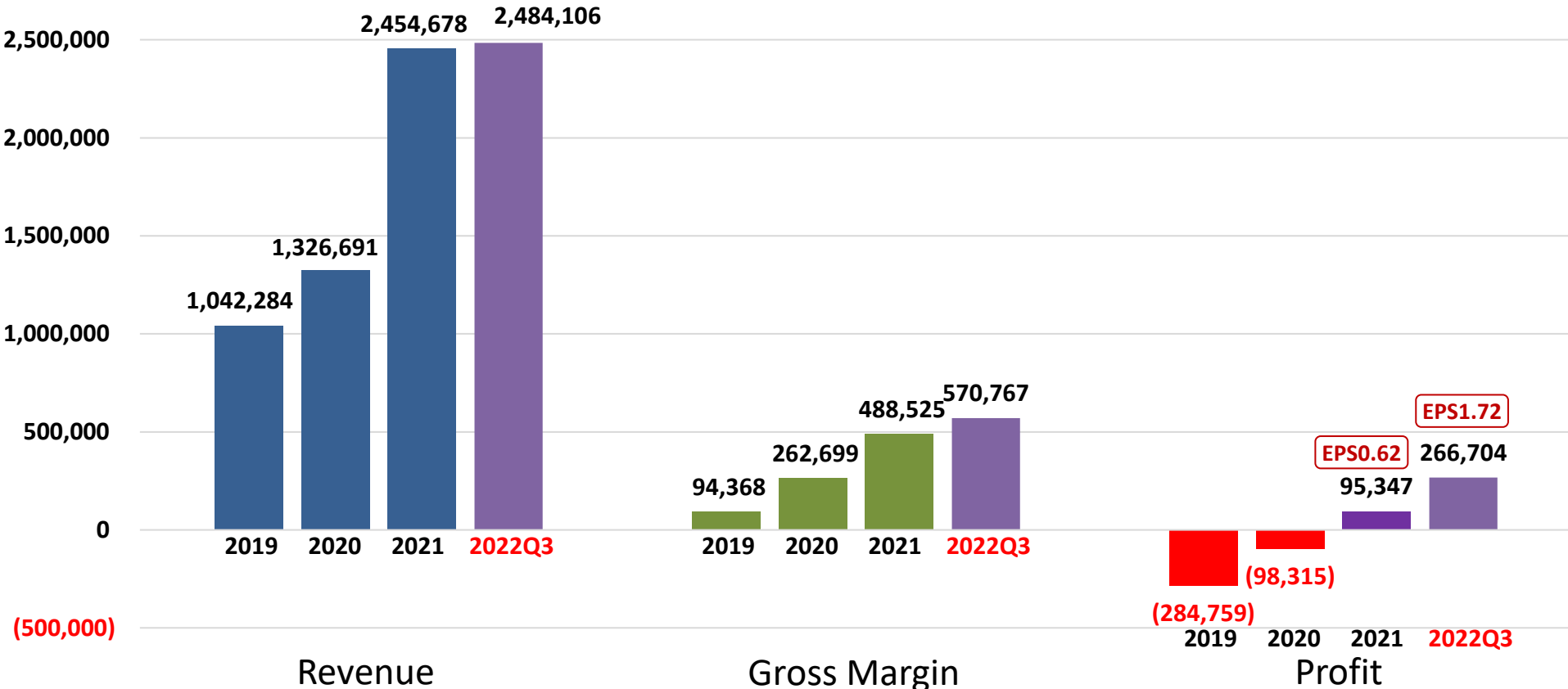
Dupont Analysis	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3
ROE	-15.1%	-14.3%	-2.6%	-5.8%	3.6%	2.4%	11.9%	15.0%	22.6%	24.4%	28.0%
Net Margin	-13.9%	-13.5%	-1.9%	-3.8%	2.0%	1.1%	5.0%	6.5%	9.7%	10.3%	12.1%
Asset Turnover*	0.71	0.69	0.91	0.75	0.85	0.94	1.01	0.96	1.11	1.10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

\*Annualized Quarterly Number

# 2019 – 2022Q3 Performance

3,000,000 NT\$ K

## 2019 -2022Q3 P/L Results





2023

Future Outlook



# Future Business Growth Drivers

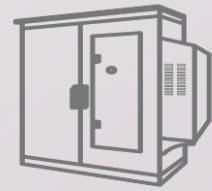


## TPMS

- OE
- Replacement
- Fleet

## ESS

- Semiconductor Fab
- Community
- Data Center

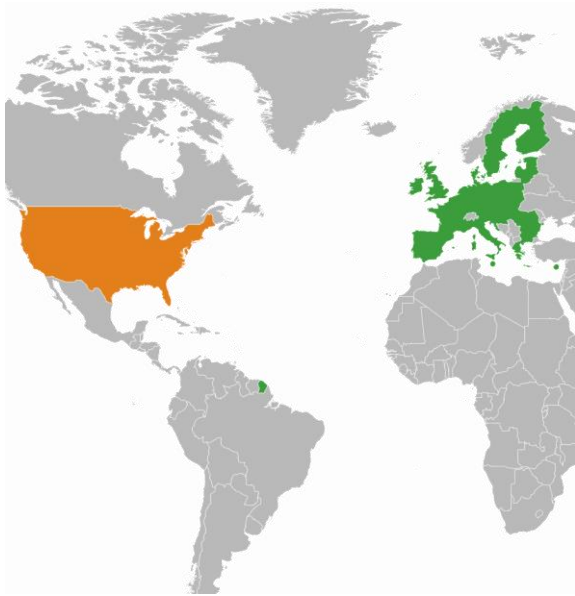


## IPC

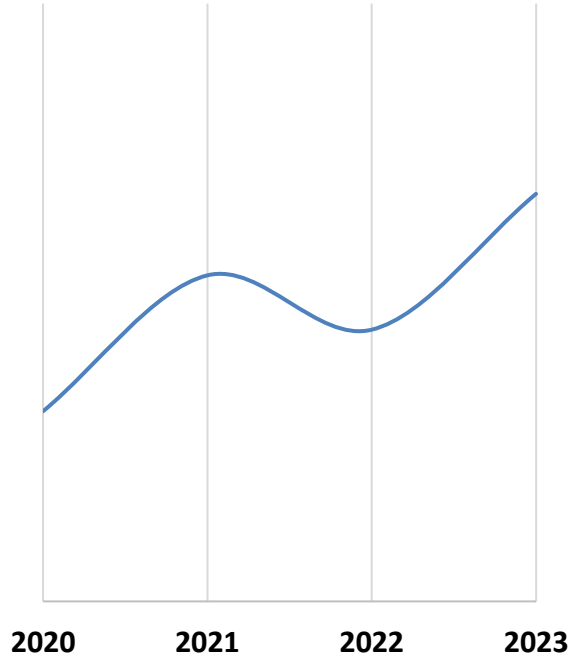
- Commercial Vehicle
- Industrial Vehicle
- Rugged Tablet



## 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   |

## 商用車電腦



**RV CAGR = 11.6%**

## 強固車用電腦



**Construction CAGR = 11.8%**

## 強固平板電腦



**Surveying CAGR = 11.0%**



**Marine CAGR = 6.0%**



**Agriculture CAGR = 13.6%**



**Diagnostic CAGR = 10.1%**

# Energy Storage Product Application and Advantages

## 風光儲能應用 Energy Storage Solutions

## 資料中心應用 Data Center Solutions

### 分散式儲能

#### Distributed Energy Brick


- 100/200KWh - Provides 2hr of electricity for 10 households
- Replaces diesel generators for emergency power with no noise and air pollution
- Peak load shaving and smoothing electricity consumption
- Regulate charging station use
- Built-in fire protection in the cabinet

### 貨櫃式儲能

#### Container ESS

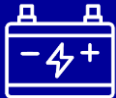
- 500-4,500KWh - Provides 2hr of electricity for large facility
- Peak load shaving and contract capacity reduction
- Best fire protection

1



Energy Brick

3



UPS

2



Container ESS

4



Data Center



### 不斷電系統UPS

- Centralized 19" cabinet application
- Suitable for semiconductor factories/data centers
- High discharge rate C-Rate
- Thermal management mechanism
- Stabilize power supply



UPS

### 資料中心電源

#### Datacenter BBU/BBS

- Decentralized 19" cabinet application
- Flexible power expansion design with hot-swappable/cabinet quick installation
- High discharge rate C-Rate
- Thermal management mechanism
- State-of-art battery rejuvenation
- Integrated power supply and redundant design BBU/BBS



Datacenter BBU/BBS

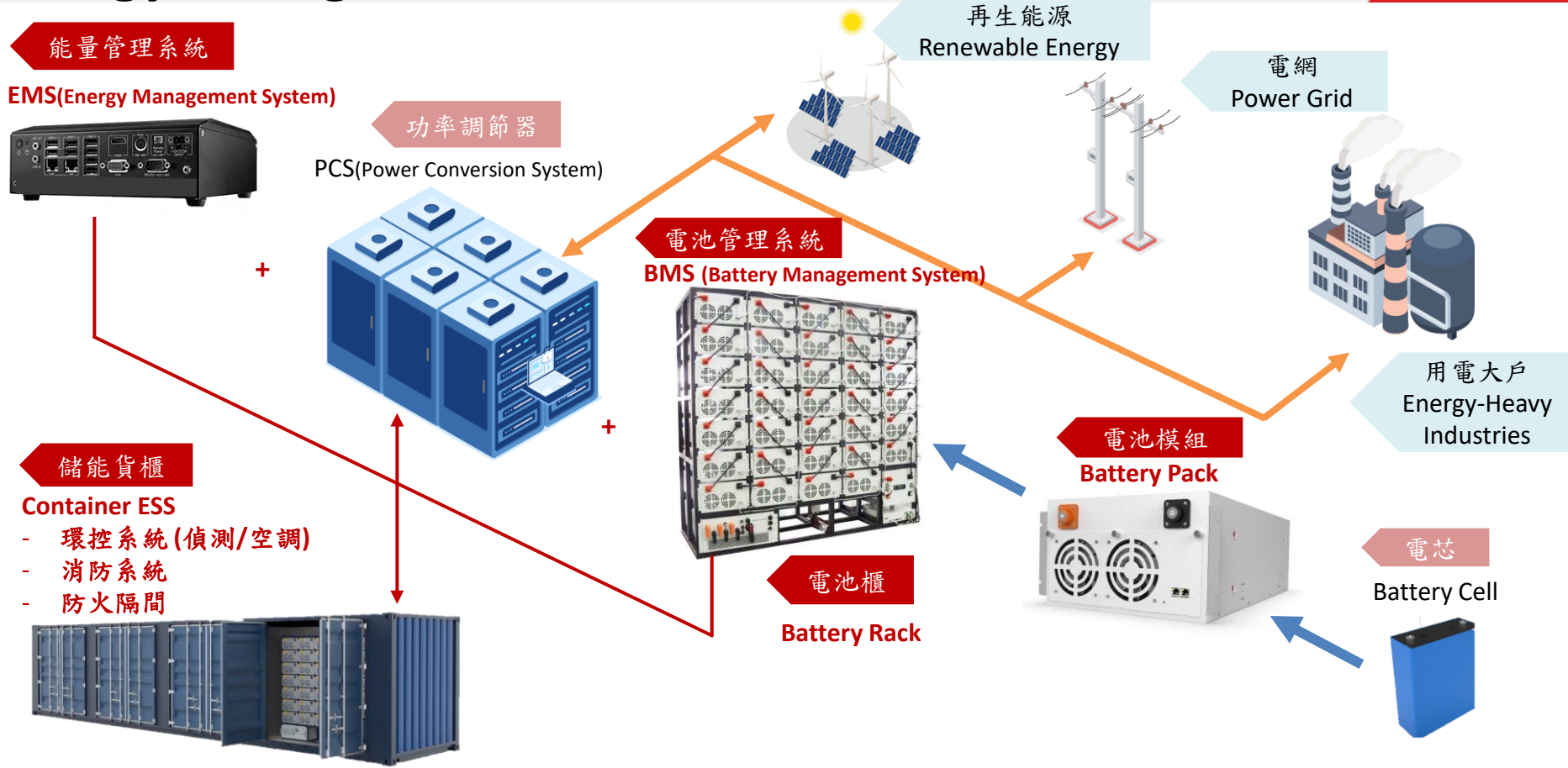


Energy Brick

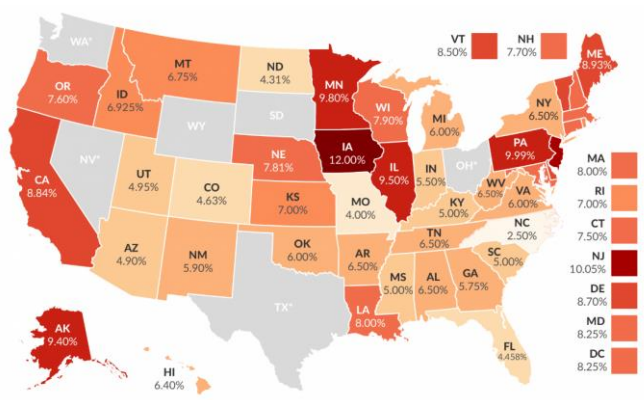
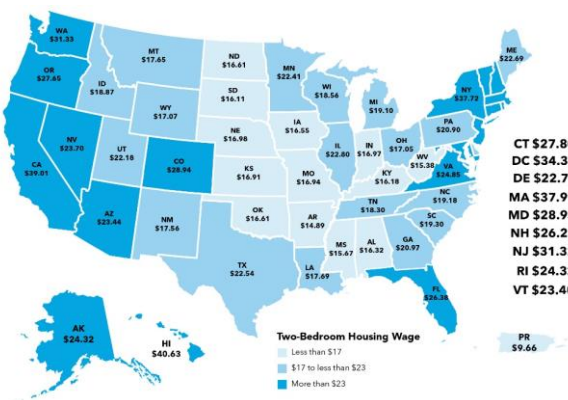
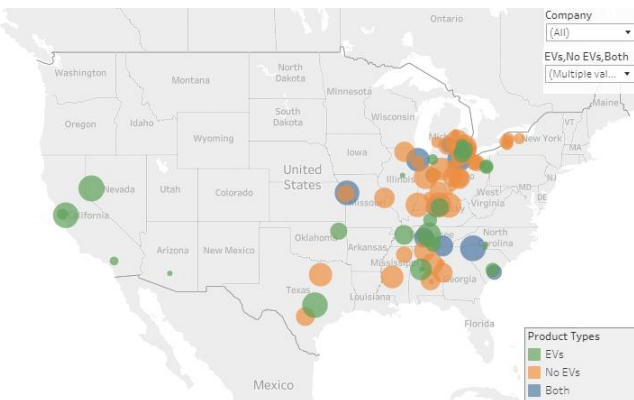


Container ESS

# Energy Storage Architecture



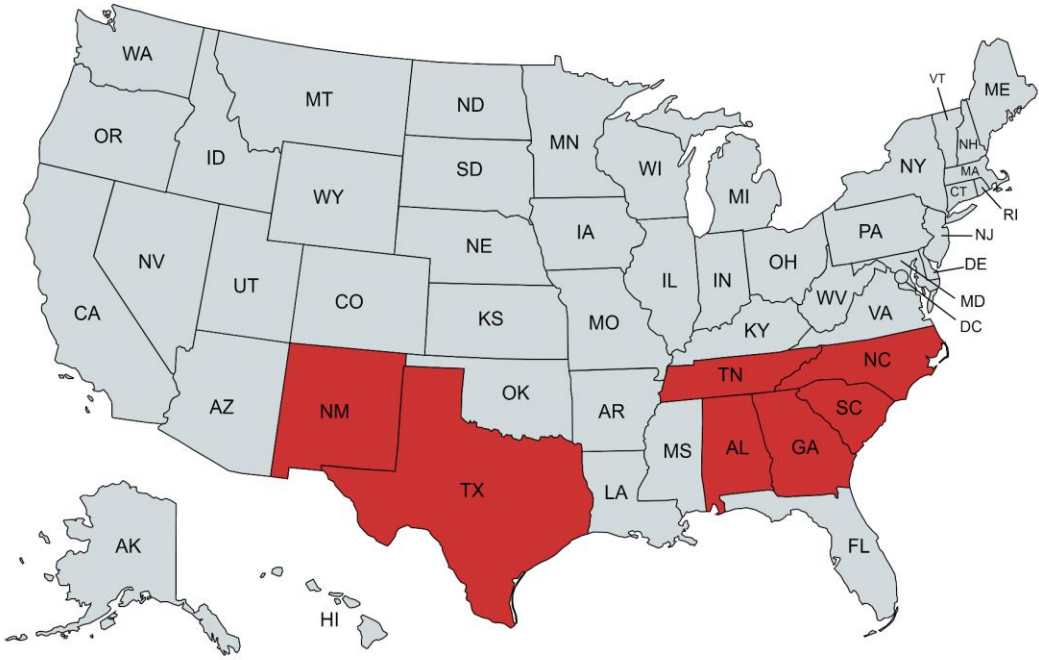
# US Operation Setup



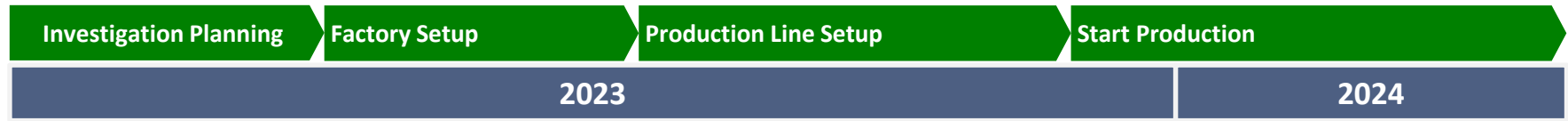
**CT \$27.80**  
**DC \$34.33**  
**DE \$22.76**  
**MA \$37.97**  
**MD \$28.93**  
**NH \$26.29**  
**NJ \$31.32**  
**RI \$24.32**  
**VT \$23.40**

State	Hourly wage (\$USD)	Average Annual wage, Entry Level (\$USD)	Average Annual wage, Experienced (\$USD)	Income tax rates (%)	Electricity Cost (cents per kWh)
Georgia	19.42	25,700	40,500	5.8	12.97
North Carolina	18.46	26,000	40,900	2.5	6.92
South Carolina	18.08	26,100	41,700	5.0	7.68
Tennessee	17.59	26,100	43,700	6.5	7.10
Alabama	15.80	24,900	43,800	6.5	8.59
New Mexico	17.22	25,600	41,200	5.9	6.48

Source: Third Way Org, NLIHC, Tax Foundation



- **Investment Amount:** US\$15M
- **Building Area:** 200,000~300,000 sqft
- **Production Line:** PCBA & Automation Assembly
- **Product Line:** TPMS 2023, IPC & ESS 2024



## 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

# 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 higher 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 production technology 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 entire climate change products currently facing globally 200+ new-year full-challenge for Sysgration. The CO2PP standards, carbon tax, 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, consolidated operating revenue of Sysgration in 2021 and have reached new heights.

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 A-39th of annual companies in the "Sustainable Governance Developer" of the New York Stock Exchange. Furthermore, Sysgration has established the name 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, provide 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 storage 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 factories of each operating unit, through a series of environment protection energy saving, and carbon reduction activities, to gradually improve the energy efficiency of industrial 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 activities, and emergency relief. We provide the same collaborative or charitable support to the education they need.

Facing the uncertainties in the post-pandemic era, Sysgration incorporates ESG (Environmental, Social and Governance) concept into our new strategic planning and risk management framework, and continuously improves our business operations to face risks and opportunities.

In the future with the thinking of looking through the current situation, Sysgration will continue to raise ESG performance, and actively respond to the academic, environmental, and societal, and create long-term and contribute sustainable value for the Company's stakeholders and reported external stakeholders.

Chairman of Sysgration  
Liu, Xin

### 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: Gradually set up factories in Thailand, and started the OEM/ODM business of Computer peripheral products
- 2014: The Company's stock officially listed on the Taiwan Stock Exchange
- 2015: Provided OEM service of Bluetooth (BT) for Tri Brand Customers, and sold Electric Vehicle (EV) for Battery pack products for National Grid
- 2016: Provided OEM service of Bluetooth (BT) for Tri Brand Customers, and sold Electric Vehicle (EV) for Battery pack products for National Grid
- 2017: Developed the Passenger Car Run-Safe Infrastment System to Japan customers
- 2018: Developed new USA customers of BT Fuel Cell-based devices (FCV)
- 2019: Completed the R&D of Energy Infrastment Vehicle
- 2020: Completed the R&D of Energy Infrastment Vehicle
- 2021: Completed the R&D of Energy Infrastment Vehicle
- 2022: Completed the R&D of Energy Infrastment Vehicle

## Contents

1	About the Report	2
1	Message from the Chairman	3
2	Sustainable Management	5
2	Corporate Governance	21
3	Environmental Sustainability	49
3	Employee Care and Social Co-prosperity	61
4	Appendix	82

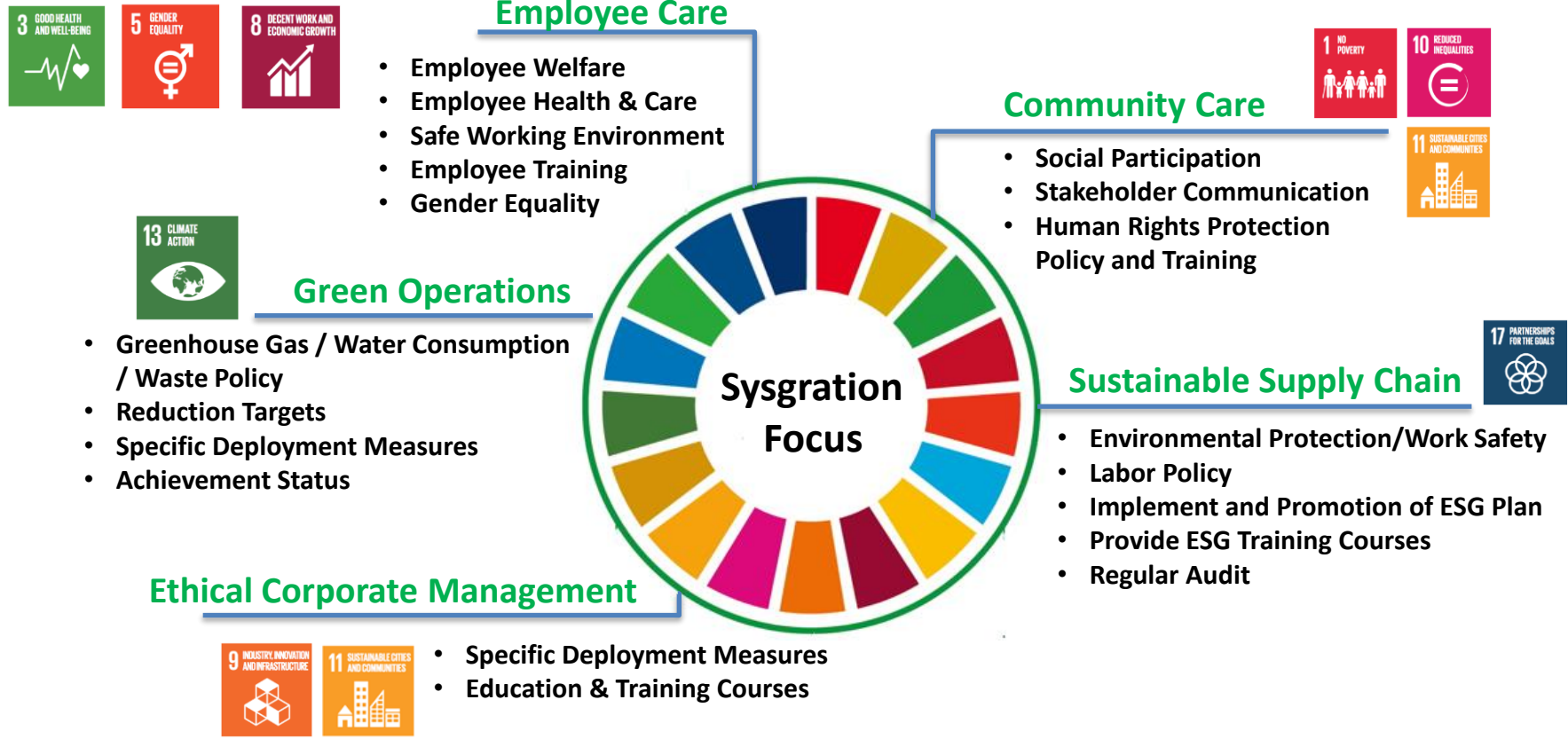
## Sustainable Management

- 1.1 Mission Statement
- 1.2 Sustainable Practices
- 1.3 Materiality Analysis
- 1.4 Sustainable Management Framework

### 4 Products, Services and Patent Application

Sysgration offers for customized and diversified device and industrial related PCs for the automotive electronics industry from design of product design, 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 solving problems early in the product development process, from customer consulting and testing, and manages the supply chain chain.





## ◆ TPMS

- ◆ The 3<sup>rd</sup> TPMS automated production line is ready for mass production, followed by the establishment of the 4<sup>th</sup> TPMS automated production line.
- ◆ Engaging and discussing with multiple OE customers in US/Europe
- ◆ Demand for aftermarket replacement parts rebounded.
- ◆ Multiple top tire brands projects are being continuously developed and introduced.

## ◆ IPC

- ◆ IPC project enters mass production in 2022 Q4, and there is demand throughout 2023.
- ◆ The new project is underway and is expected to be mass-produced in 2024.

## ◆ ESS

- ◆ The decline in demand for semiconductor Li-Ion UPS Battery Pack will affect 2023 Q1.
- ◆ Data center power supply and centralized energy storage products are under development and will begin to contribute in 2023.

## ◆ US Production Site

- ◆ US\$15M investment plans to set up automated production line. Production is expected to begin in late 2023

## ◆ ESG

- ◆ Continue to strengthen corporate governance, focus on ESG action plans, and fulfill ESG vision



Q&A





Thank You