

德勝科技

RUBYTECH

Investor Conference

2022/12/16



Disclaimer

The presentation and news released associated with contains forward-looking statements which reflect management's best judgement on factors currently known. However these statements involve risks and uncertainties, and may be different from actual future outcomes

Apart from the regulatory requirements, in response to new formation or future incidents, RubyTech does not guarantee for reminding, updating, and correcting, the actual results. All the information should be based on Market Observation Post System.



Agenda

Company
Overview

Operating
Highlights

Financial
Status

Future
Outlook

Q&A

1

Company Overview



Company Profile

- Company Name : RubyTech (Code:8048)
- Established Date : Jul. 14th, 1981
- Taiwan OTC Date : Sep.08th, 2009
- Capital : NTD\$544,712,060
- Chairman : Mr. Kenneth Lin
- Address : 3F. No.1 Ln.50 Sec.3, Nangang Rd., Taipei, Taiwan
- Business Philosophy : Technology Innovation, Superior Quality,
Operating Efficiency, Excellent Service





Business Scope

- Markets : ODM for Networking Products
- Product Position : High/Mid-End Highly Customized Networking Products
- Customers : 80% in North America/Europe
: 20% in Japan/Korea/Australia/India/Taiwan
- Applications : 4G/5G Infrastructure, SME Networks,
: Wireless Networks, IP Surveillance, PoE Intelligent Lighting, etc.
- Products : 1/2.5/10/25/40G Network Switch, Fiber Switch,
: PoE+/++ Network Switch, Fiber Media Converter/NIC
: Industrial/Outdoor/Operator Network Switch/Converter
: Cloud Support/SDN/L3/L2 Network Switch



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Operating Highlights



Product Development

Operator Networking Equipment

Successfully Developed and MP SyncE/PTP PoE++ Switch for 5G Small Cells



High-Speed Networking Equipment

Successfully Developed and MP High-Speed L3/Stacking 1G/10G/25G/40G/50 Gbps Switch



Open Architecture SDN

Successfully Developed and MP SDN OpenFlow L2/L3 PoE+ Hybrid Mode Switch



Industrial/Outdoor Equipment

Successfully Developed and MP Industrial/Outdoor L2/Cloud-Managed 1/10G PoE++ Switch



Engineering Change for Mitigating Material Shortage

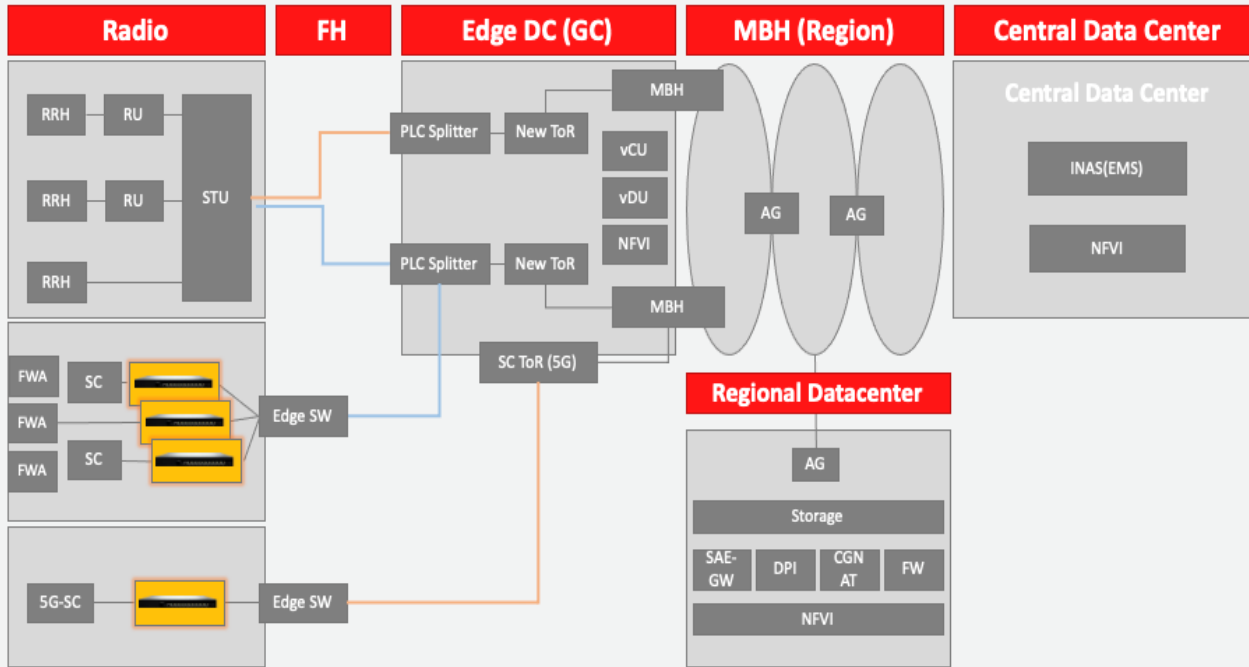
Quickly Designed Various Commercial and Industrial Grade Switch to Resolve Severe Shortage





5G Infrastructure Application

5G Mobile Network Diagram



5G Network Switch

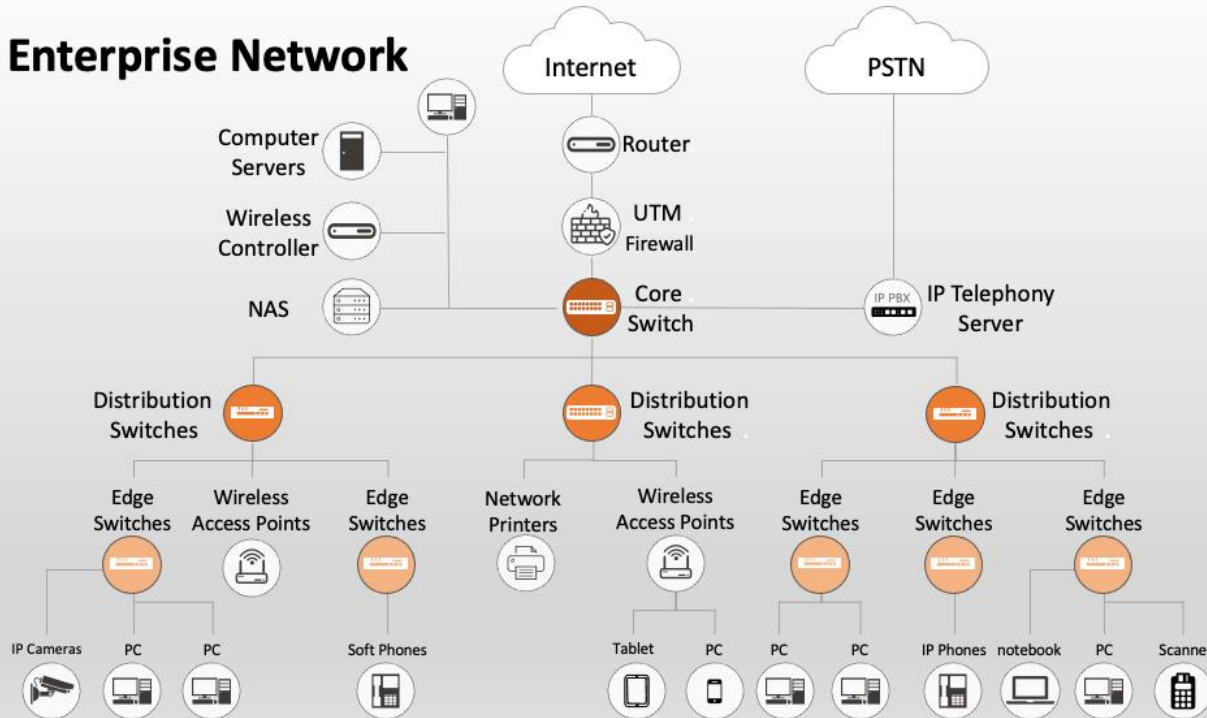
To connect 5G Small Cell stations to operating networks and to transmit packets, manage local network, time sync, and provide PoE functions

Key Technologies
 SyncE/PTP (Class C, <10ns time accuracy), PoE++ (802.3bt 90W), and inter-op with operator's network management systems.



Enterprise Networking Application

Enterprise Network



Enterprise Network Switch

To establish enterprise core networks by connecting internet through routers and by connecting Server, PC, WiFi AP, NAS, IP Cam, IP Phone inside the enterprise.

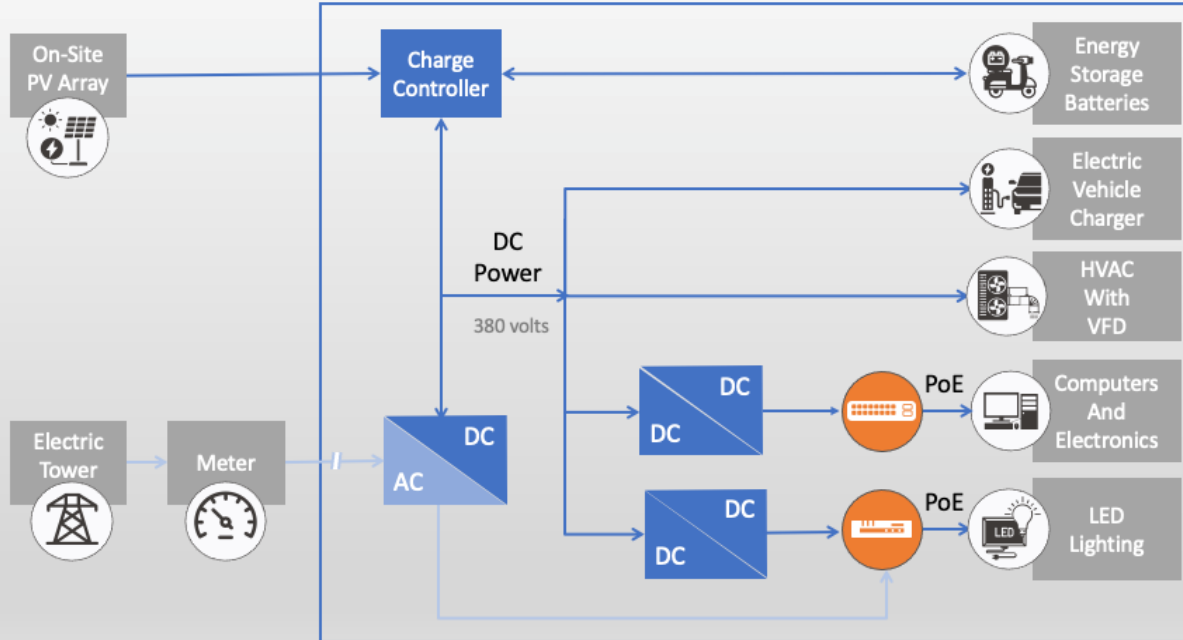
Key Technologies

Large bandwidth, high-speed internet, integrated network management system, PoE, and RubyTech Patented DMS.



PoE Intelligent Lighting Application

Typical DC Building Microgrid



Intelligent Lighting Network Switch

To provide DC power to intelligent LED lighting through PoE switch in order to achieve energy efficiency. To work with lighting management system and IoT sensor to control light brightness/darkness/temperature.

Key Technologies

PoE++, integrated lighting network management system, and various IoT devices, and RubyTech Patented DMS.

Customer Relationship Management

Customer Satisfaction

Actively Participate Customer QBR to Improve/Adjust Company Resources to Increase Customer Satisfaction



R&D Efficiency

Continuously Invest R&D Design/Test Equipment and Setup SVT Lab Per Customer's Actual Environment for Full Verification



Operating Procedure

Introduce PLM Management Platform, S2C Platform to Systematically Control Work Flow. So Tech Problems can be Effectively Resolved



Shortage Mitigation

Transparent Communications to Effectively Implement Pull-In/Allocation /Replacement Cycle and Identify 2nd Source, to Resolve Shortage Issue

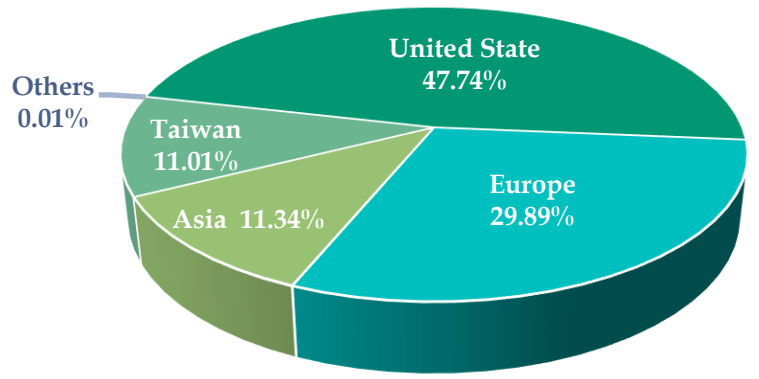




Unaudited Operating Revenue from January to November 2022

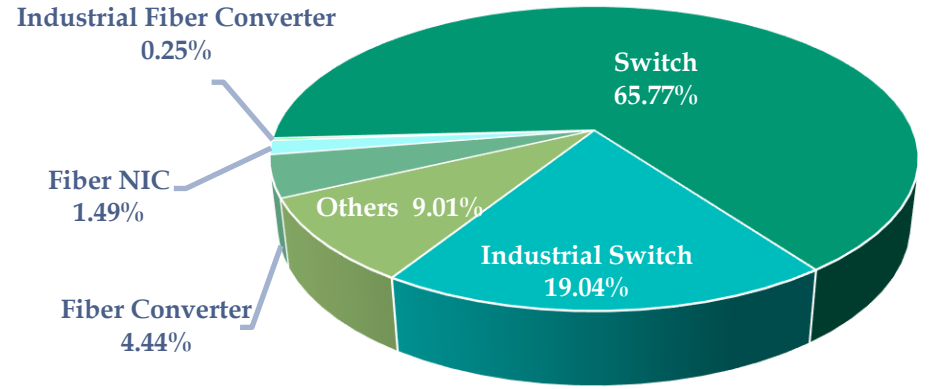
Unit: NT\$ thousands	Jan. - Nov. 2022	Jan. - Nov. 2021	Difference Amount	Increase (%)
Operating Revenue	955,163	810,165	144,998	▲ 18%

Jan. - Nov. 2022,
Sales Breakdown - by Region



- United State
- Europe
- Asia
- Taiwan
- Others

Jan. - Nov. 2021
Sales Breakdown - by Product



- Switch
- Others
- Fiber Converter
- Industrial Switch
- Fiber Converter
- Industrial Fiber Converter



Certifications and Patents

- **Company Management** : ISO 9001:2015 Quality Mgmt. System
 ISO 14001:2015 Environmental Mgmt. System
 ISO 27001:2022 Information Security Mgmt. System
- **R&D Management** : ISO 27034:2022 Information Application Security Mgmt.
- **Patents** : Obtained 6 Advanced Mgmt. System Patents USA, EU, Japan, and Taiwan, to Help Customers Enhance Competitiveness.





Corporate Governance Evaluation Results in The Past Years

2014 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	40	30	70	70
6%~20%	120	89	209	279
21% & Over	638	476	1,114	1,393
Total	798	595	1,393	

2015 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	41	31	72	72
6%~20%	124	94	218	290
21% & Over	659	498	1,157	1,447
合計	824	623	1,447	

2016 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	43	33	76	76
6%~20%	126	98	224	300
21% & Over	674	522	1,196	1,496
合計	843	653	1,496	

2017 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	43	34	77	77
6%~20%	129	101	230	307
21% & Over	689	540	1,229	1,536
合計	861	675	1,536	

2018 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	43	34	77	77
6%~20%	131	103	234	311
21% & Over	694	549	1,243	1,554
合計	868	686	1,554	

2019 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	45	35	80	80
6%~20%	135	105	240	320
21% & Over	721	559	1,280	1,600
合計	901	699	1,600	

2020 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	45	36	81	81
6%~20%	136	106	242	323
21% & Over	724	570	1,294	1,617
合計	905	712	1,617	

2021 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	46	36	82	82
6%~20%	137	109	246	328
21% & Over	730	581	1,311	1,639
合計	913	726	1,639	

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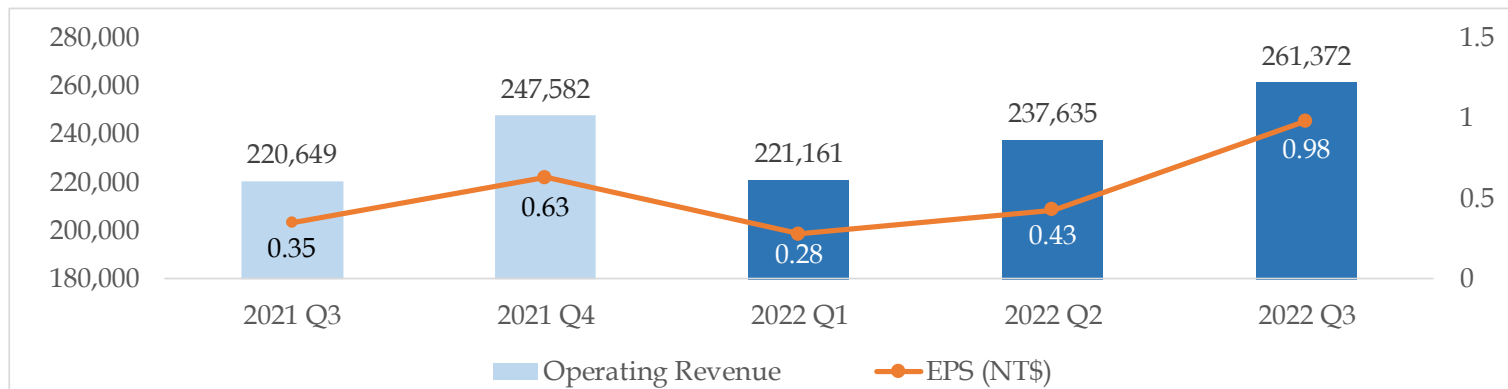
Financial Status



2022 Q3 Consolidated Statements of Comprehensive Income – Quarter Growth

Unit: NT\$ thousands

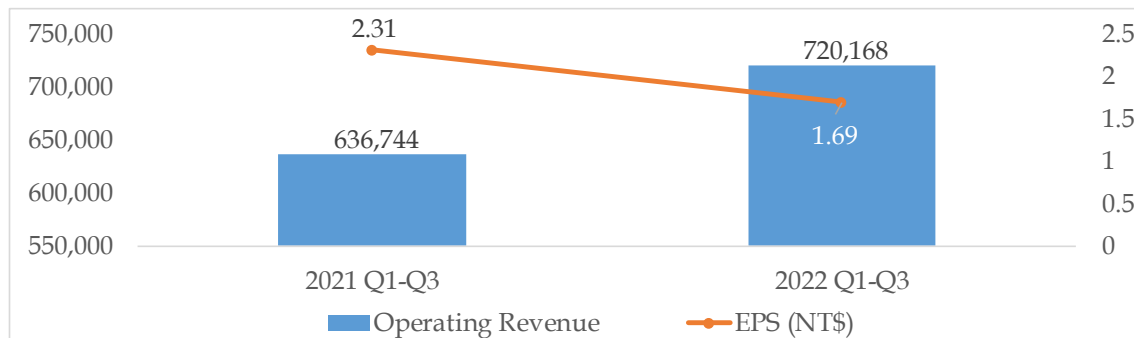
Items	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	YOY (%)
Operating Revenue	220,649	247,582	221,161	237,635	261,372	18%
Gross Profit	65,218	70,212	60,537	82,305	82,041	26%
Gross Margin	29.56%	28.36%	27.37%	34.64%	31.39%	1.8%
Income from Operations	21,196	30,123	18,466	36,193	36,044	70%
Net Income	19,206	34,112	15,395	23,124	53,457	178%
EPS (NT\$)	0.35	0.63	0.28	0.43	0.98	180%





2022 Q1-Q3 Consolidated Statements of Comprehensive Income – Annual Growth

Unit: NT\$ thousands	2021 Q1-Q3	2022 Q1-Q3	YOY	
			Amount	%
Operating Revenue	636,744	720,168	83,424	▲ 13%
Gross Profit	204,937	224,883	19,946	10%
Gross Margin	32.19%	31.23%	***	-1%
Income from Operations	66,830	90,703	23,873	36%
Net Income	125,898	91,976	(33,922)	-27%
EPS (NT\$)	2.31	1.69	(0.62)	-27%





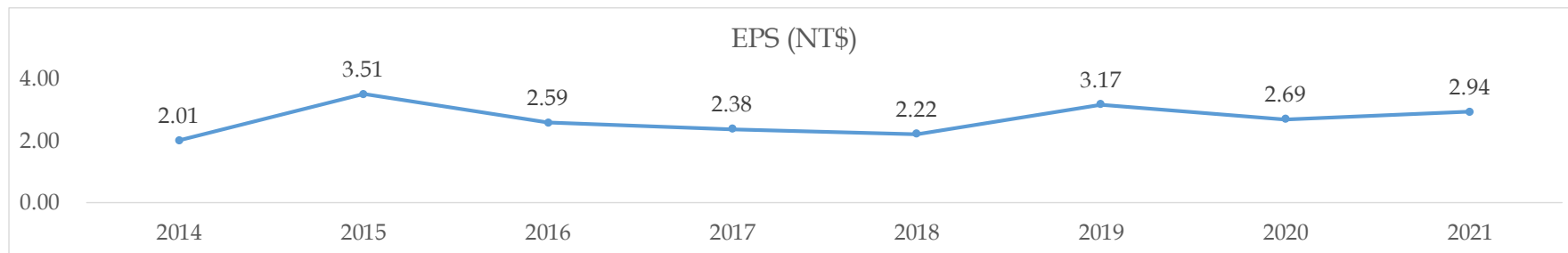
Consolidated Balance Sheets as of September 30, 2022

Unit: NT\$ thousands

Items	Sep. 30, 2022		Dec. 31, 2021		Sep. 30, 2021	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	▲ 242,132	18%	298,372	21%	183,208	14%
Financial assets at fair value	109,842	8%	256,135	18%	310,916	23%
Financial assets at amortized cost	▲ 187,436	14%	203,462	14%	223,204	17%
Notes and accounts receivable, net	183,466	14%	163,476	11%	126,665	9%
Inventories	332,486	25%	246,546	17%	237,081	17%
Property, plant and equipment	258,188	19%	255,903	18%	247,774	18%
Other assets	31,724	2%	28,676	1%	30,585	2%
TOTAL ASSETS	1,345,274	100%	1,452,570	100%	1,359,433	100%
Current liabilities	283,772	21%	310,764	21%	294,542	21%
Noncurrent liabilities	24,854	2%	22,374	2%	24,126	2%
TOTAL LIABILITIES	308,626	23%	333,138	23%	318,668	23%
Capital stock	544,712	40%	544,712	37%	544,712	40%
Others	491,936	37%	574,720	40%	496,053	37%
TOTAL EQUITY	1,036,648	77%	1,119,432	77%	1,040,765	77%
TOTAL LIABILITIES AND EQUITY	1,345,274	100%	1,452,570	100%	1,359,433	100%

Operating Results in The Past Years

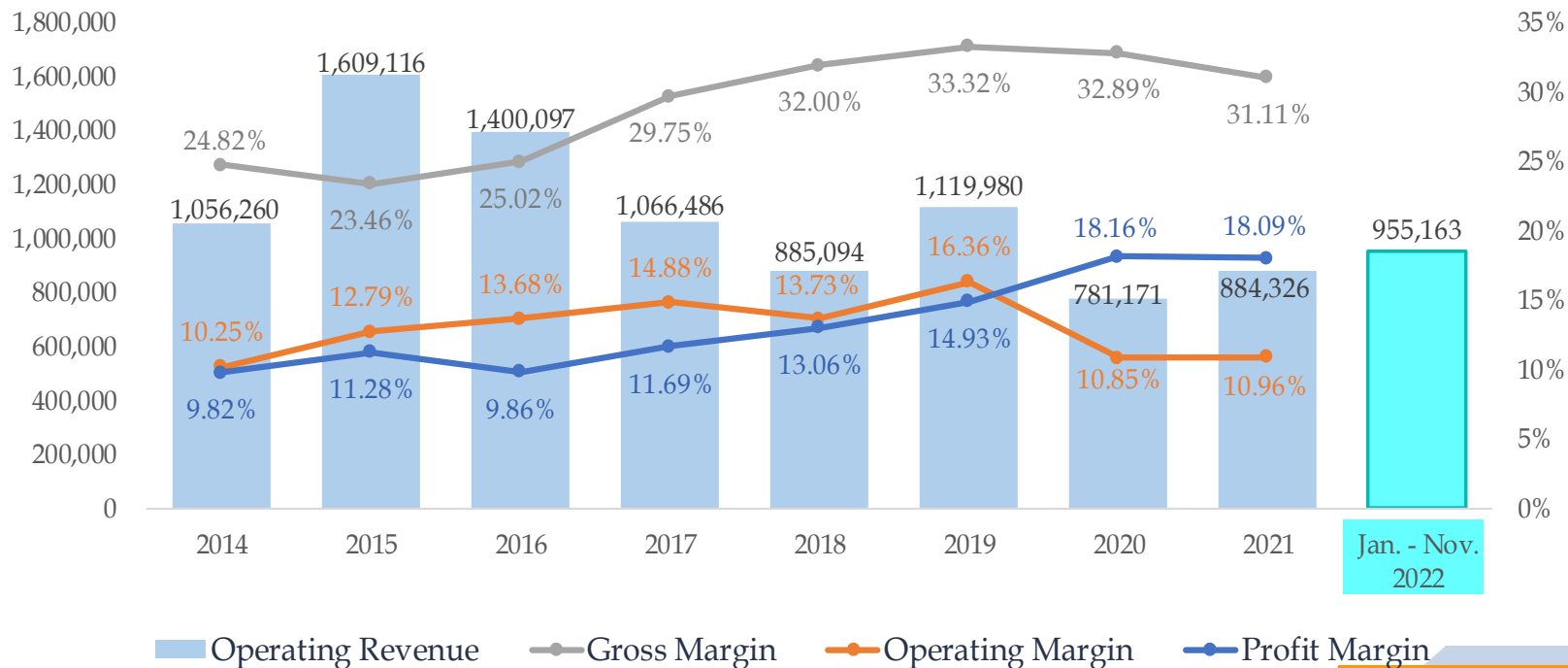
Year	2014	2015	2016	2017	2018	2019	2020	2021	Jan. - Nov. 2022
Operating Revenue	1,056,260	1,609,116	1,400,097	1,066,486	885,094	1,119,980	781,171	884,326	955,163
Gross margin	24.82%	23.46%	25.02%	29.75%	32.00%	33.32%	32.89%	31.11%	***
Operating Margin	10.25%	12.79%	13.68%	14.88%	13.73%	16.36%	10.85%	10.96%	***
Profit Margin	9.82%	11.28%	9.86%	11.69%	13.06%	14.93%	18.16%	18.09%	***
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	***





Operating Trend

Unit: NT\$ thousands





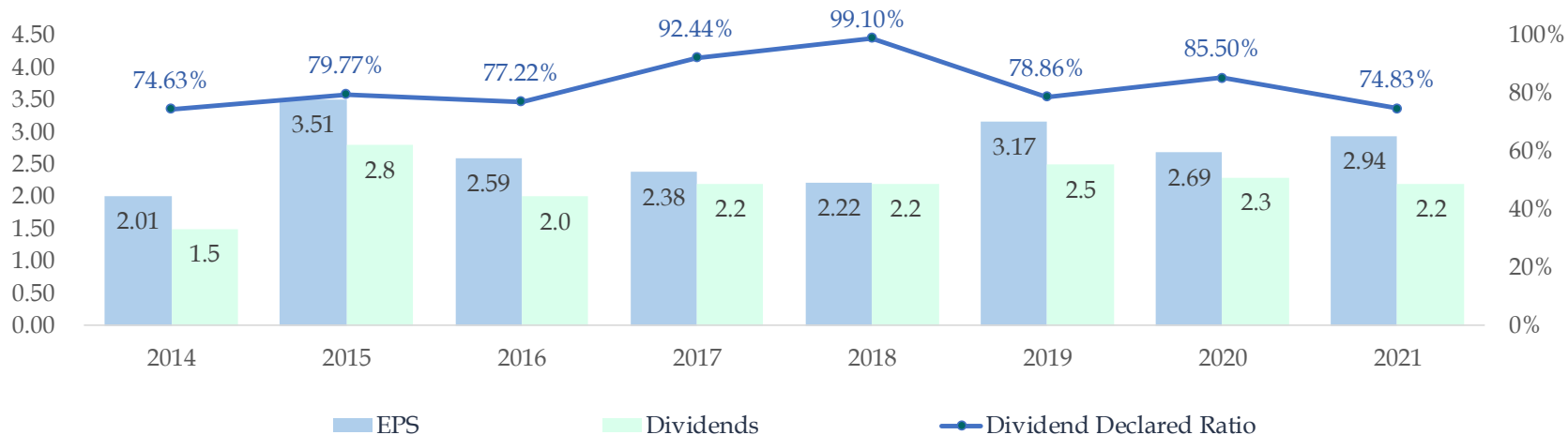
Key Financial Indexes

Items		2022	2021	Jan. - Sep. 2022	Jan. - Sep. 2021
Solvency (%)	Current ratio	417.73	378.89	374.91	370.54
	Quick ratio	369.66	298.43	257.00	289.46
Operating Ability	Receivables turnover rate (times)	5.57	6.14	5.54	6.76
	Inventory turnover rate (times)	4.77	3.40	2.28	3.30
Profitability	Return on assets (%)	11.45	11.81	8.77	12.83
	Return on equity (%)	14.86	15.14	11.38	16.50



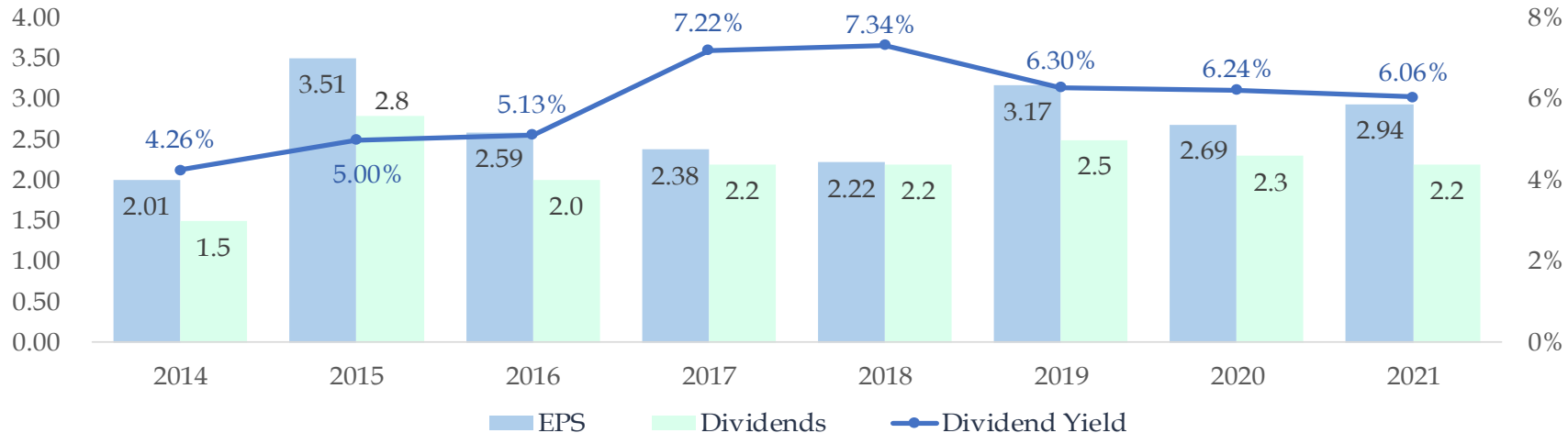
Status of Dividend Distribution – Dividend, Dividend Declared Ratio

Year	2014	2015	2016	2017	2018	2019	2020	2021
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94
Dividends Which Belong to The Year (NT\$)	1.5	2.8	2.0	2.2	2.2	2.5	2.3	2.2
Dividend Declared Ratio	74.63%	79.77%	77.22%	92.44%	99.10%	78.86%	85.50%	74.83%



Status of Dividend Distribution – Dividend Yield

Year	2014	2015	2016	2017	2018	2019	2020	2021
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94
Dividend Which Belong to The Year (NT\$)	1.5	2.8	2.0	2.2	2.2	2.5	2.3	2.2
Dividend Yield	4.26%	5.00%	5.13%	7.22%	7.34%	6.30%	6.24%	6.06%



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Future Outlook



Opportunity and Challenge

Market Opportunity

Observing Order Shift Trend by USA-China Trade War, Re-Organize Resources to Help Existing Customers Expand Product Line and Identify New Customers



Business Opportunity

Addressing the Demand for Large Bandwidth, Develop 100G Products, and Continue Developing Equipment for 5G Infrastructure, to Increase Market Share



Market Challenge

Investigate Adding Oversea CM Facility to Effectively Implement Pull-In/Allocation /Replacement Cycle, to Resolve Shortage Issue



Product Challenge

Design-In Common Parts to Avoid Unique Parts Usage, and Cooperate with IC Suppliers for 100G Product Development





Product Development

Operator Networking Equipment

Create a New Product Line of High Performance and Cost Effective Products Based on the MP Products for 5G Infrastructure



High-Speed Networking Equipment

Design L3/HW Stacking 1/2.5/10/25/40/100Gbps High-Speed Network Switches



Open Architecture SDN

Develop Project-Based Open Architecture Switches for Various SDN Applications



Industrial/Outdoor Equipment

Based on Customer's Applications, Develop Various Industrial/Outdoor/IoT/Cloud Management Switches



Engineering Change for Mitigating Material Shortage

Implement Design SOP for Common Parts Design Rules, to Avoid Material Shortage and PPV Issue



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Q & A