

德勝科技

RUBYTECH

Investor Conference

2023/9/21



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\$561,030,020
- 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
- Applications : 4G/5G Infrastructure, SME Networks, Wireless Networks, IP Surveillance, PoE Intelligent Lighting, etc.
- Customers : 80% in North America/Europe
20% in Japan/Korea/Australia/India/Taiwan
- 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, Satellite Data Service Application Equipment



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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/40Gbps 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

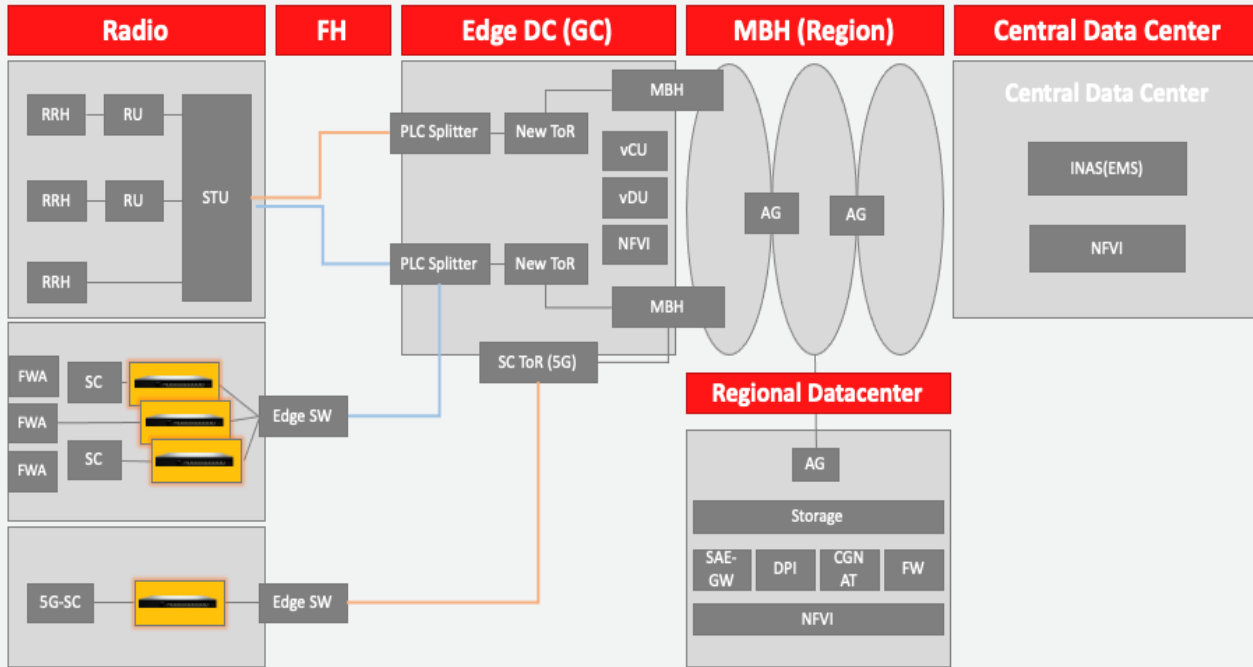
Quickly Designed Various Commercial and Industrial Grade Switch to Resolve Severe Shortage





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

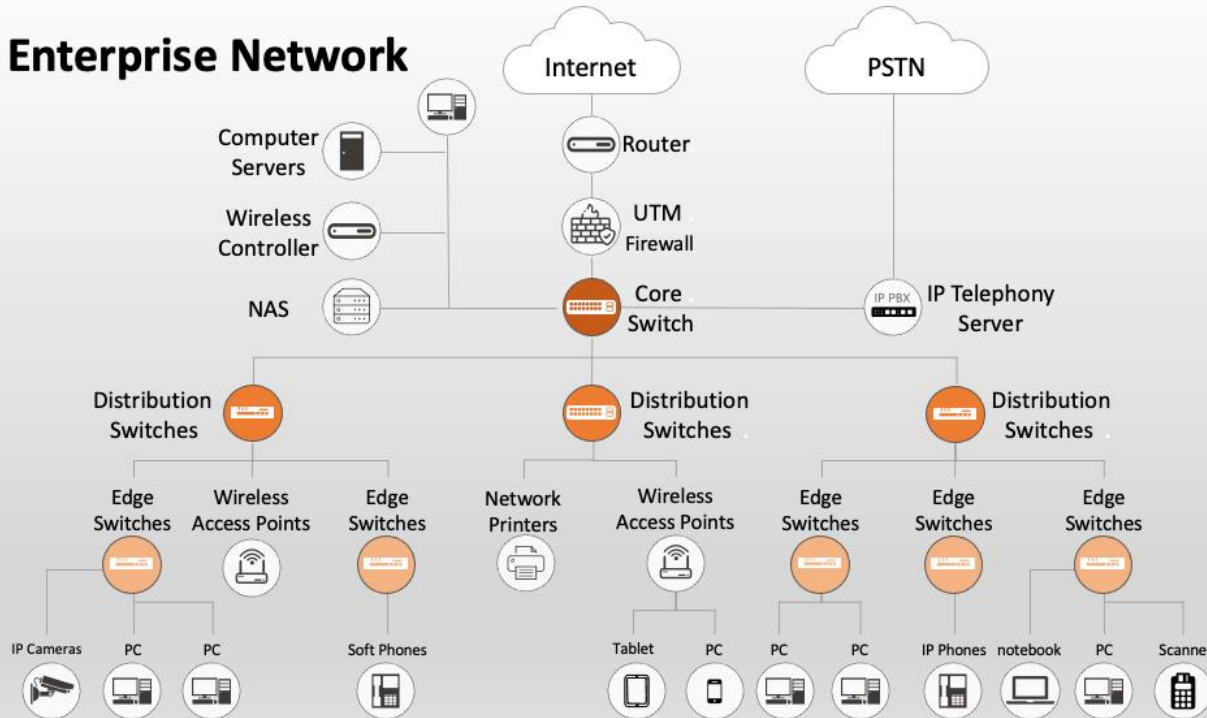
Key Technologies

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.

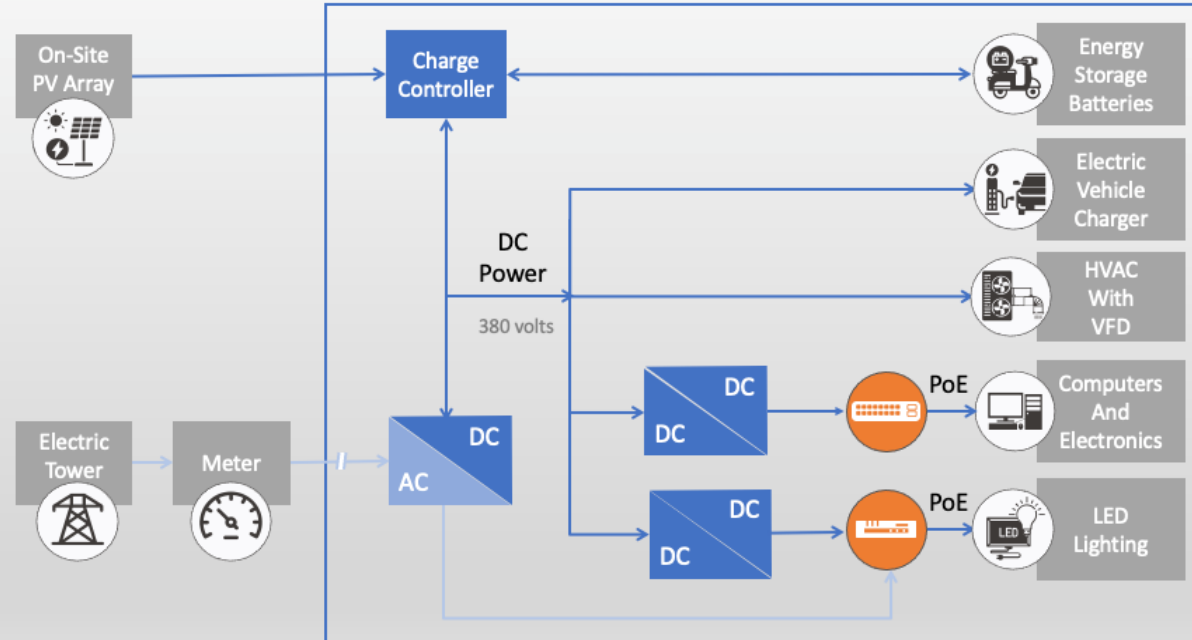
Key Technologies

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

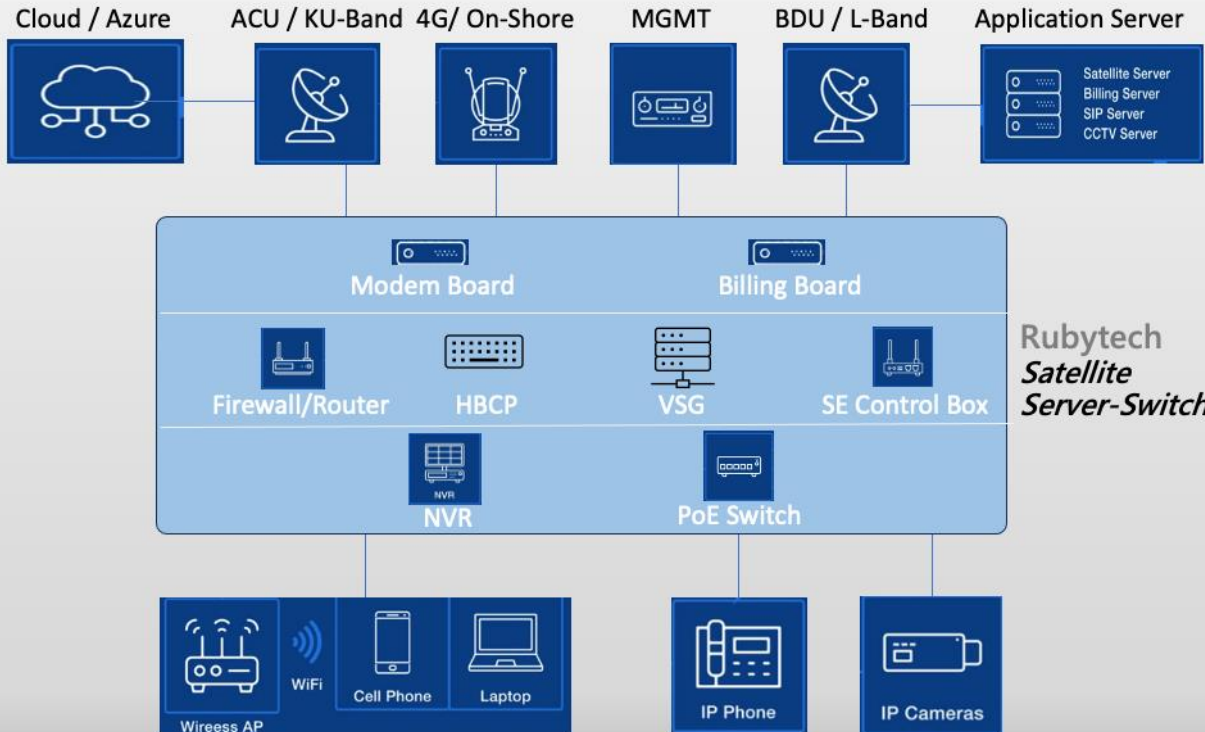
To provide DC power to intelligent LED lighting through PoE switch in order to achieve energy efficiency. To work with lighting management system and IoT sensor to control light brightness/darkness/temperature.

Key Technologies

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



Satellite Data Service



Satellite Data Service Server Switch

The designed server switch can receive satellite signals and integrate different application modules, to provide service to various IP end devices.

Key Technologies

Highly integrated networking management system and satellite application HW/SW, Video Streaming, 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

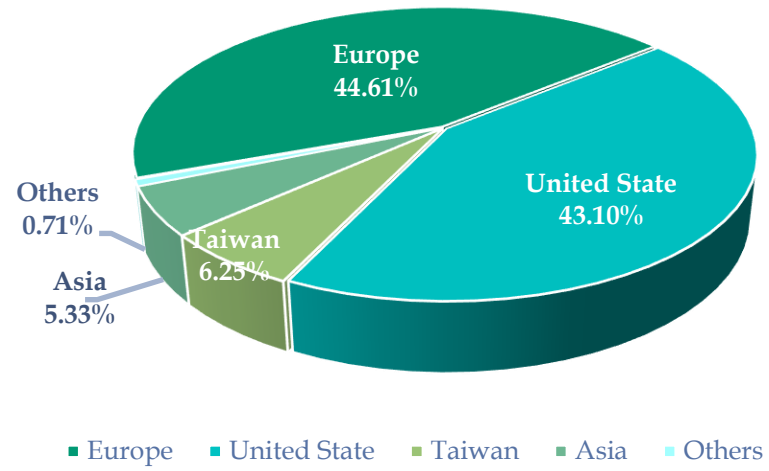




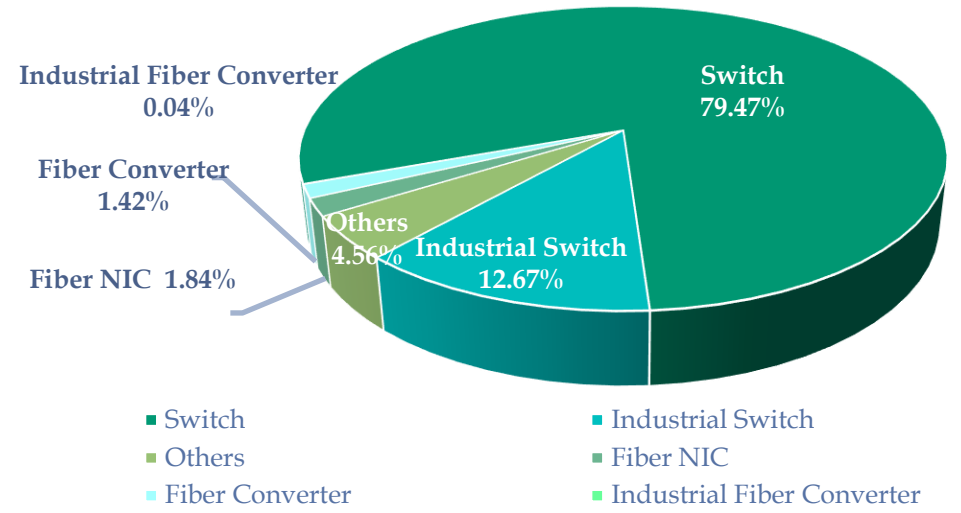
Unaudited Operating Revenue from January to August 2023

Unit: NT\$ thousands	Jan. - Aug. 2023	Jan. - Aug. 2022	Difference Amount	Increase (%)
Operating Revenue	1,135,005	621,461	513,544	▲ 83%

Jan. - Aug. 2023,
Sales Breakdown - by Region



Jan. - Aug. 2023
Sales Breakdown - by Product





Certifications and Patents

Company Management

ISO 9001:2015 Quality Mgmt. System

ISO 14001:2015 Environmental Mgmt. System

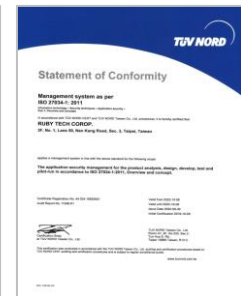
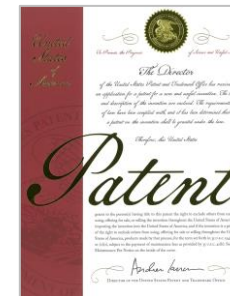
ISO 27001:2022 Information Security Mgmt. System

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	

2022 Evaluation Results				
Evaluated	TWSE-listed	TPEX-listed	Total	Cumulative
Top 5%	46	37	83	83
6%~20%	140	110	250	333
21%~35%	140	110	250	583
36% & Over	602	477	1,079	1,662
合計	928	734	1,662	

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Financial Status

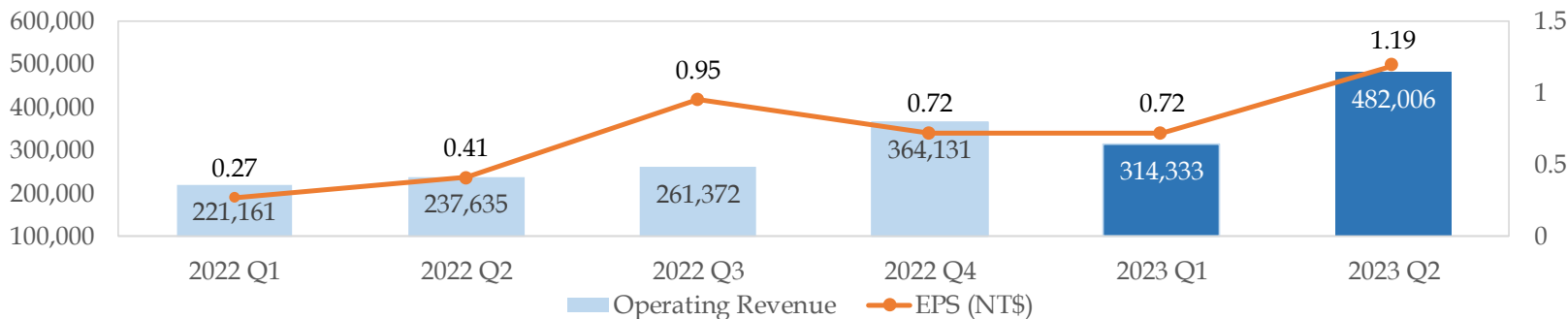


2023 Consolidated Statements of Comprehensive Income – Quarter Growth

Unit: NT\$ thousands

Items	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1		2023 Q2	
					金額	YOY (%)	金額	YOY (%)
Operating Revenue	221,161	237,635	261,372	364,131	314,333	42%	482,006	103%
Gross Profit	60,537	82,305	82,041	101,131	92,591	53%	131,334	60%
Gross Margin	27.37%	34.64%	31.39%	27.77%	29.46%	2.09%	27.25%	-7.4%
Income from Operations	18,466	36,193	36,044	51,834	44,027	138%	75,154	108%
Net Income	15,395	23,124	53,457	40,252	40,404	162%	66,543	188%
EPS (NT\$)*	0.27	0.41	0.95	0.72	0.72	167%	1.19	190%

* The weighted average number of shares outstanding was adjusted retrospectively.

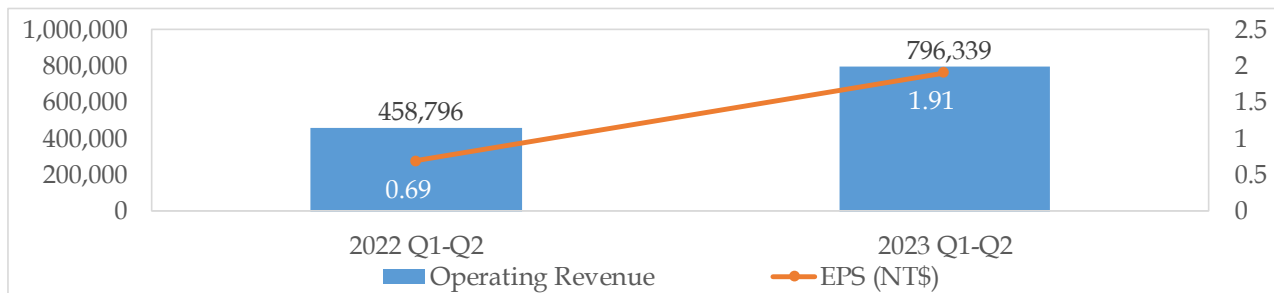




2023 Q1-Q2 Consolidated Statements of Comprehensive Income – Annual Growth

Unit: NT\$ thousands	2022 Q1-Q2	2023 Q1-Q2	YOY	
			Amount	%
Operating Revenue	458,796	796,339	337,543	▲ 74%
Gross Profit	142,842	223,925	81,083	57%
Gross Margin	31.13%	28.12%	***	-3%
Income from Operations	54,659	119,181	64,522	118%
Net Income	38,519	106,947	68,428	178%
EPS (NT\$)*	0.69	1.91	1.22	177%

* The weighted average number of shares outstanding was adjusted retrospectively.





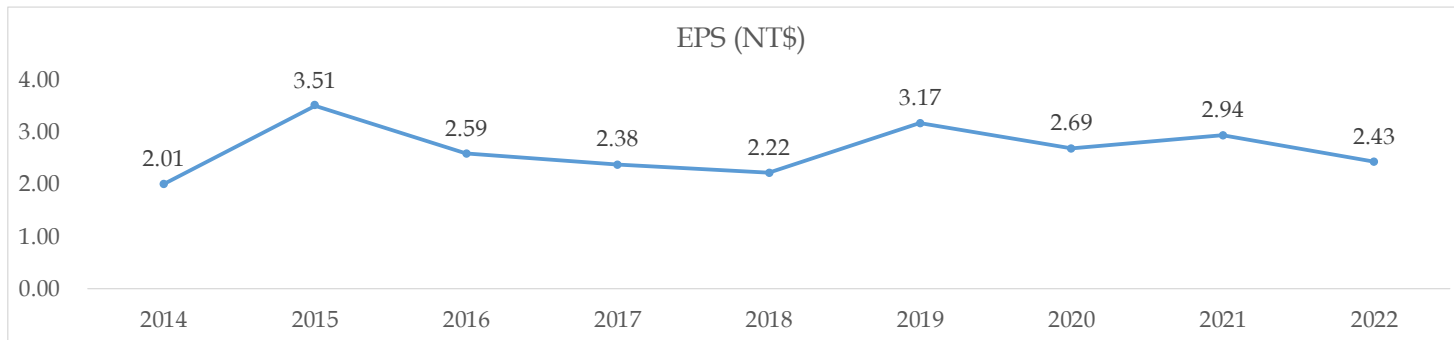
Consolidated Balance Sheets as of June 30, 2023

Unit: NT\$ thousands

Items	Jun. 30, 2023		Dec. 31, 2022		Jun. 30, 2022	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	▲ 361,662	22%	290,288	21%	334,759	24%
Financial assets at fair value	116,283	7%	102,025	7%	106,633	8%
Financial assets at amortized cost	▲ 187,346	11%	187,420	13%	203,591	14%
Notes and accounts receivable, net	316,041	19%	229,181	17%	154,943	11%
Inventories	370,684	23%	303,355	22%	325,794	23%
Property, plant and equipment	250,608	15%	255,519	18%	258,281	18%
Other assets	41,739	3%	30,505	2%	33,181	2%
TOTAL ASSETS	1,644,363	100%	1,398,293	100%	1,417,182	100%
Current liabilities	558,652	34%	314,127	23%	413,948	29%
Noncurrent liabilities	18,411	1%	15,485	1%	22,004	2%
TOTAL LIABILITIES	577,063	35%	329,612	24%	435,952	31%
Capital stock	561,030	34%	544,712	39%	544,712	38%
Others	506,270	31%	523,969	37%	436,518	31%
TOTAL EQUITY	1,067,300	65%	1,068,681	76%	981,230	69%
TOTAL LIABILITIES AND EQUITY	1,644,363	100%	1,398,293	100%	1,417,182	100%

Operating Results in The Past Years

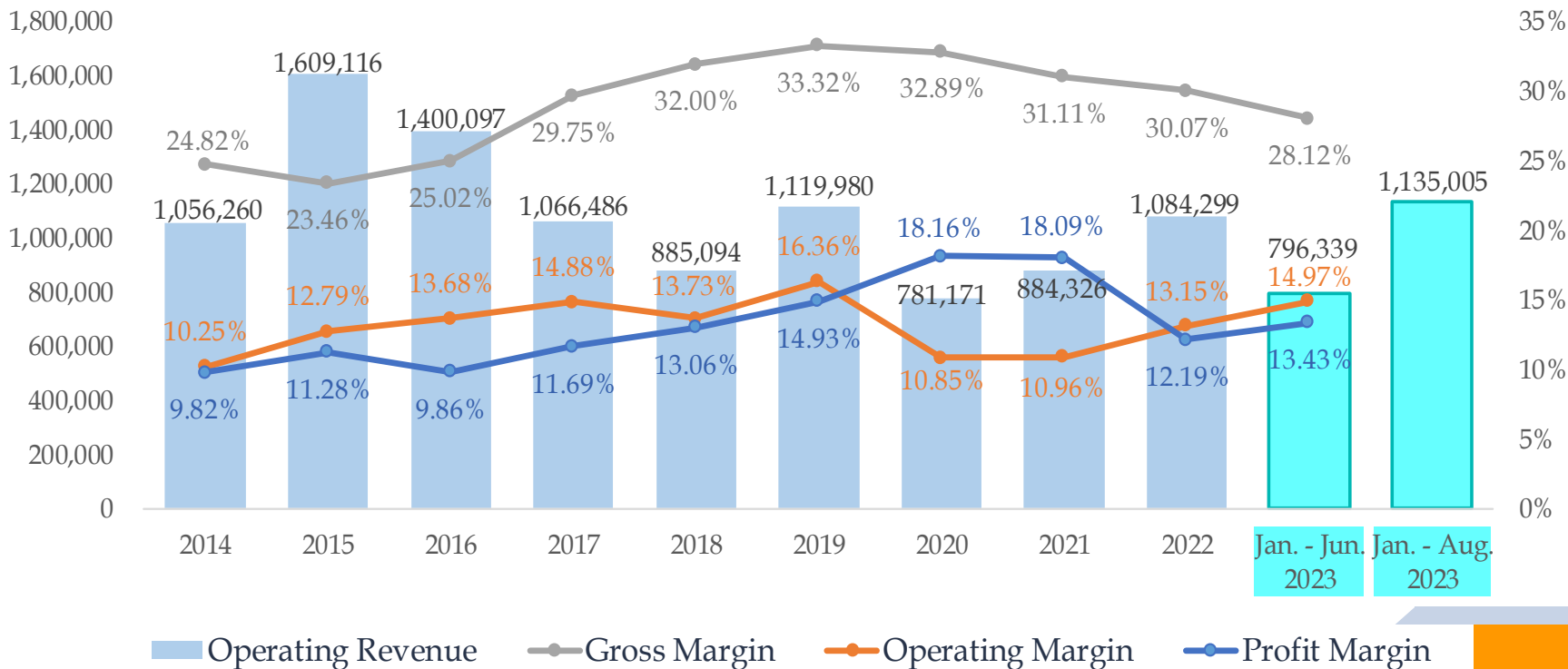
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Jan.-Jun.	2023 Jan.-Aug
Operating Revenue	1,056,260	1,609,116	1,400,097	1,066,486	885,094	1,119,980	781,171	884,326	1,084,299	796,339	1,135,005
Gross margin	24.82%	23.46%	25.02%	29.75%	32.00%	33.32%	32.89%	31.11%	30.07%	28.12%	***
Operating Margin	10.25%	12.79%	13.68%	14.88%	13.73%	16.36%	10.85%	10.96%	13.15%	14.97%	***
Profit Margin	9.82%	11.28%	9.86%	11.69%	13.06%	14.93%	18.16%	18.09%	12.19%	13.43%	***
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	2.43	1.91	***





Operating Trend

Unit: NT\$ thousands





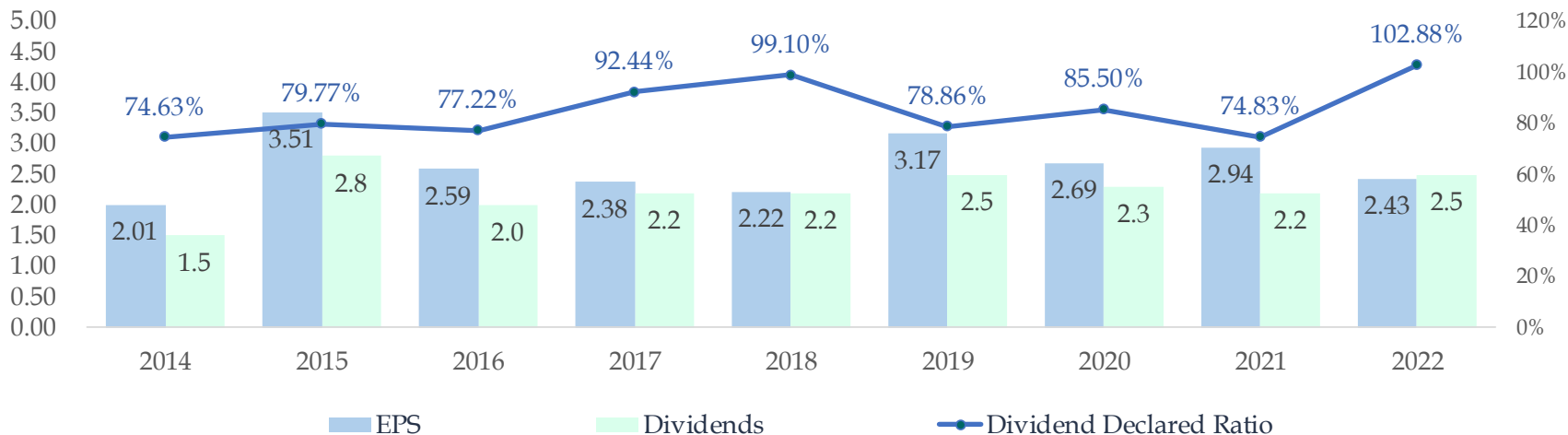
Key Financial Indexes

Items		2021	2022	Jan. - Jun. 2023	Jan. - Jun. 2022
Solvency (%)	Current ratio	378.89	357.25	244.72	274.51
	Quick ratio	298.43	259.78	177.57	194.82
Operating Ability	Receivables turnover rate (times)	6.14	5.52	5.84	5.76
	Inventory turnover rate (times)	3.40	2.76	3.40	2.21
Profitability	Return on assets (%)	11.81	9.28	14.06	5.37
	Return on equity (%)	15.14	12.09	20.03	7.33



Status of Dividend Distribution – Dividend, Dividend Declared Ratio

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	2.43
Dividends Which Belong to The Year (NT\$)	1.5	2.8	2.0	2.2	2.2	2.5	2.3	2.2	2.5
Dividend Declared Ratio	74.63%	79.77%	77.22%	92.44%	99.10%	78.86%	85.50%	74.83%	102.88%



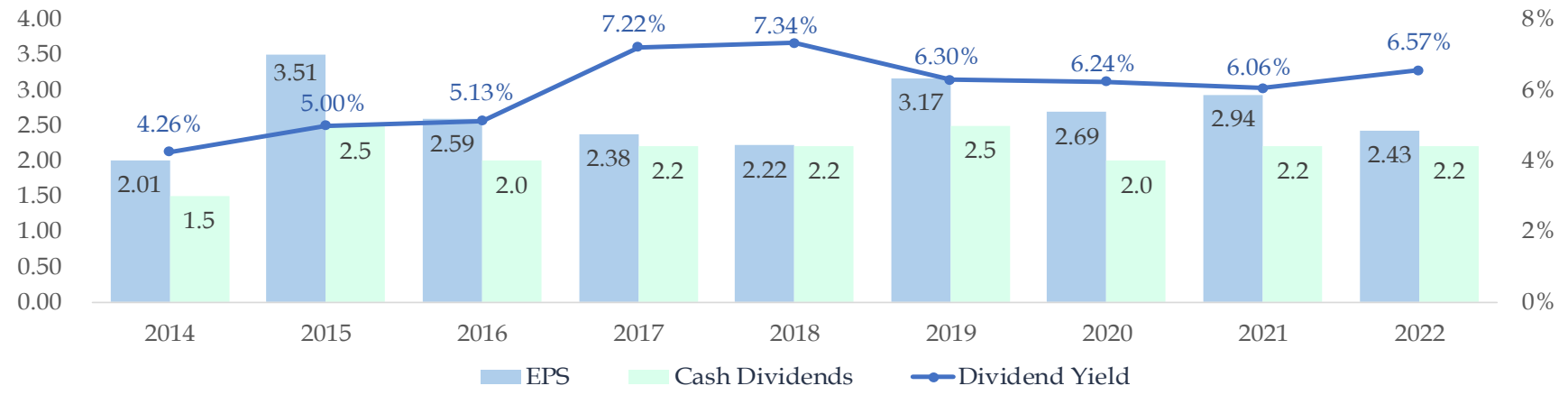


Status of Dividend Distribution – Dividend Yield

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	2.43

Dividend Which Belong to The Year

Stock Dividends (NT\$)	-	0.3	-	-	-	-	0.3	-	0.3
Cash Dividends (NT\$)	1.5	2.5	2.0	2.2	2.2	2.5	2.0	2.2	2.2
Dividend Yield	4.26%	5.00%	5.13%	7.22%	7.34%	6.30%	6.24%	6.06%	6.57%



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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, Developing Equipment for 5G Infrastructure, to Increase Market Share, and Developing Satellite IP Access Devices



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

Expand High Performance and Cost Effective 5G Infrastructure and Satellite Data Service Product Line



High-Speed Networking Equipment

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



Value-Added Application Software/Tool

Develop Various Value-Added Application Software and Tools for Customer Adherences and Customer Competitive Edges



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