

德勝科技

RUBYTECH

Investor Conference

2024/12/19



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 information or future incidents, RubyTech will not proactively remind, update, and correct 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\$577,837,520
- 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, Satellite Data Service, etc.
- Customers : 70% in North America/Europe
30% 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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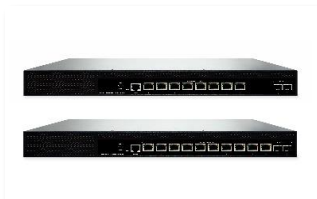
Operating Highlights



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



NDAA/TAA Compliance Designs

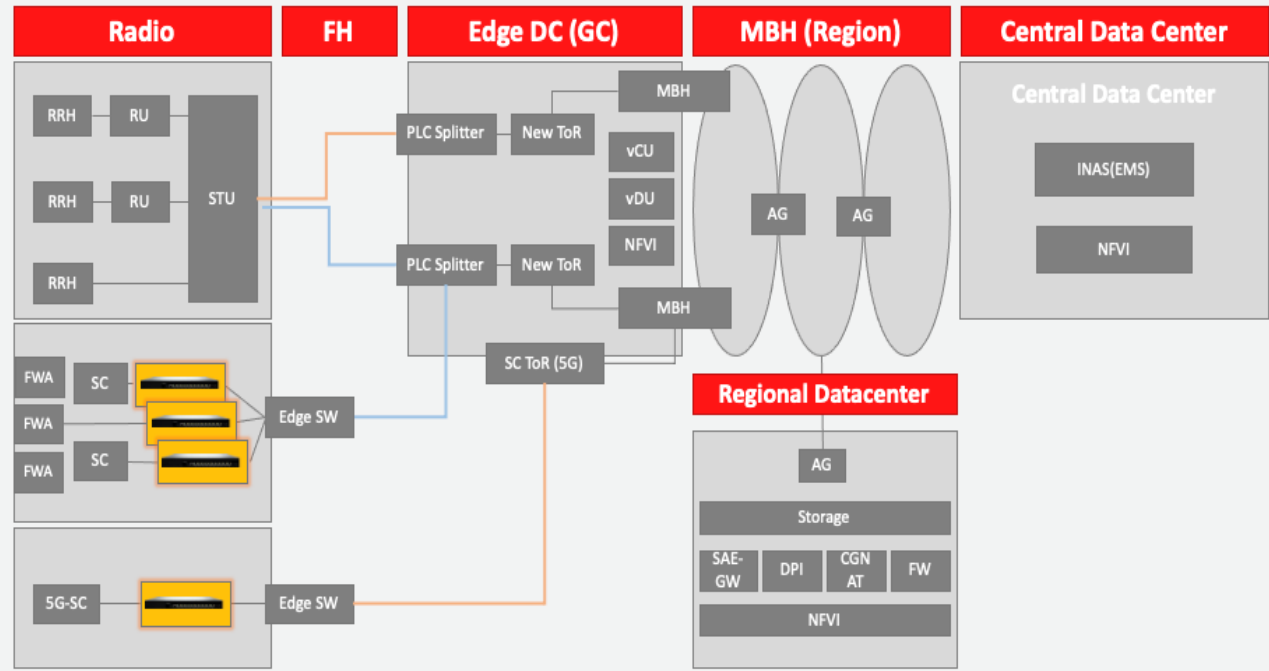
Implement NDAA/TAA Compliant Designs In Response to the Needs of Future Trade and Tariff War





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.

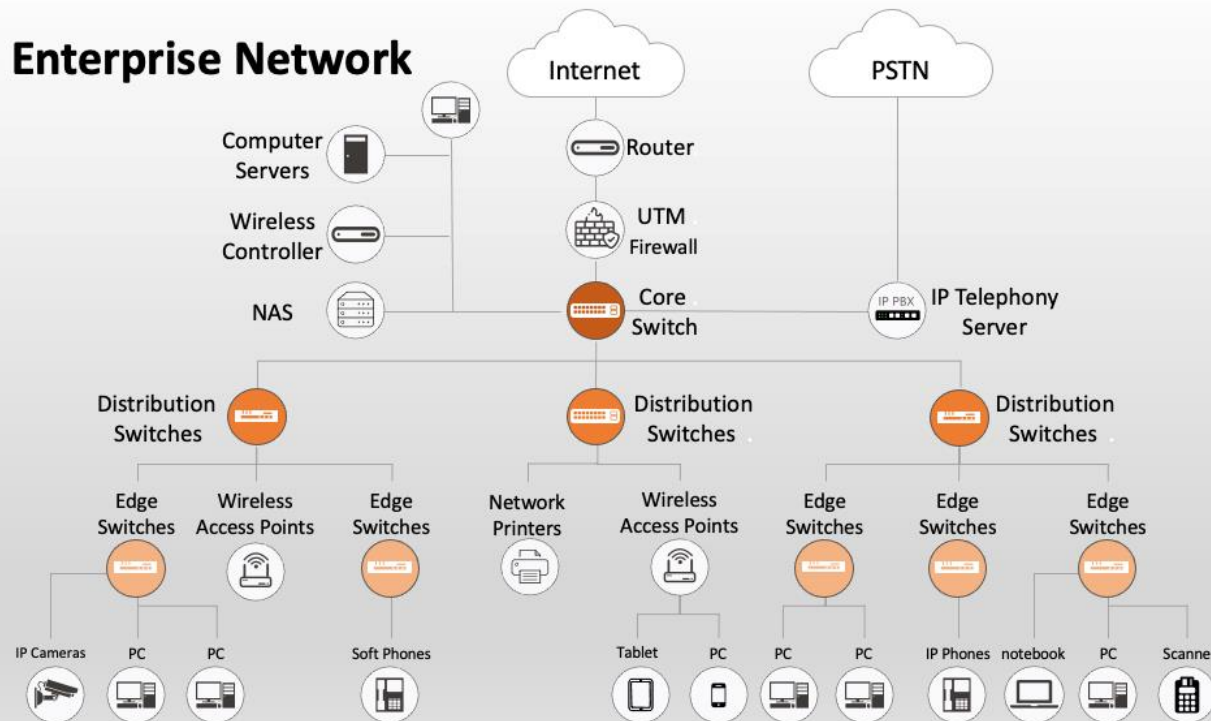
Key Technologies

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 6/7 AP, NAS, IP Cam, IP Phone inside the enterprise.

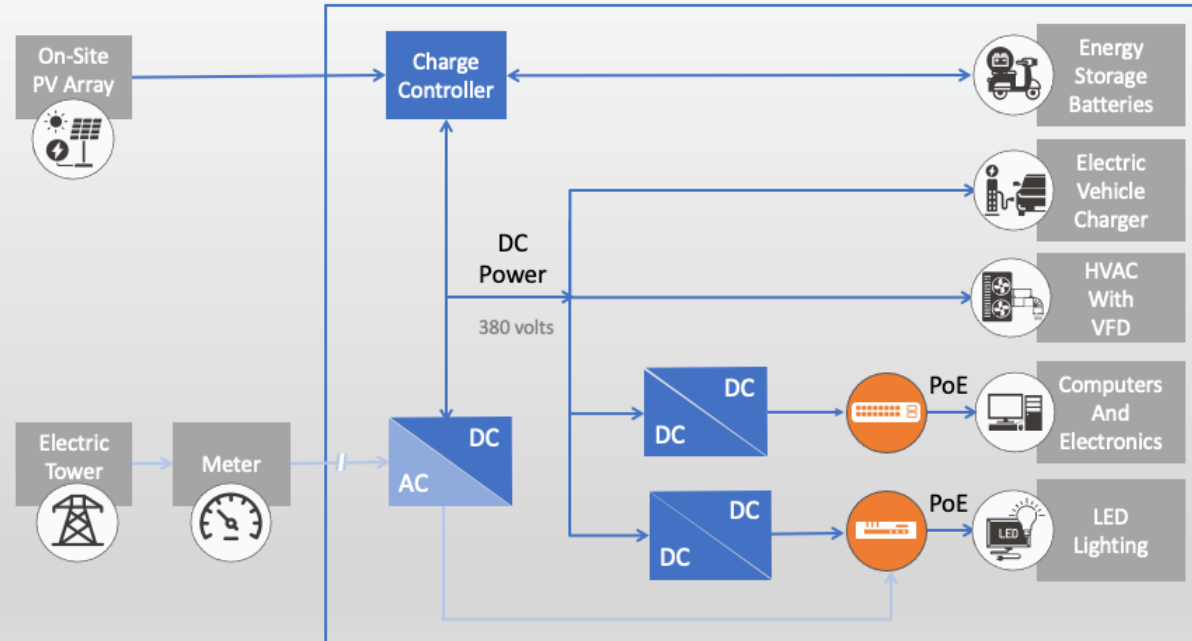
Key Technologies

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

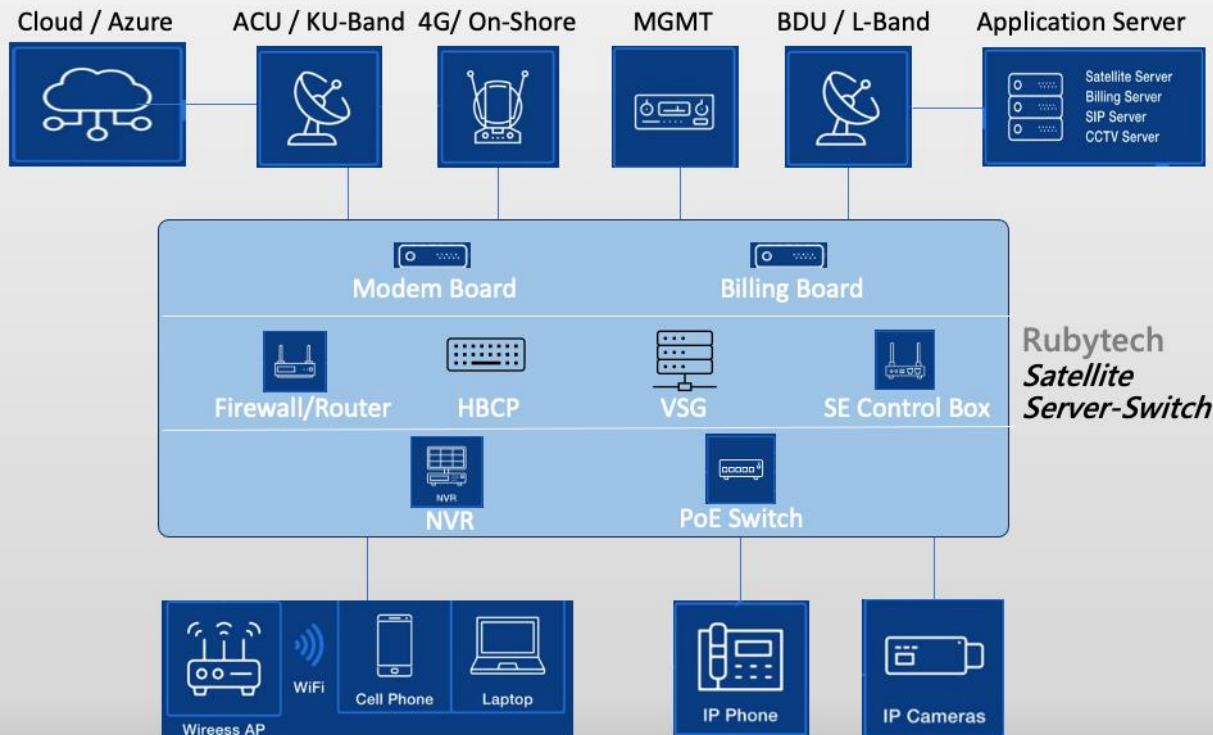
To provide DC power to intelligent LED lighting through PoE switch in order to achieve energy efficiency. To work with lighting management system and IoT sensor to control light brightness/darkness/temperature.

Key Technologies

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



Satellite Data Service



Satellite Data Service Server Switch

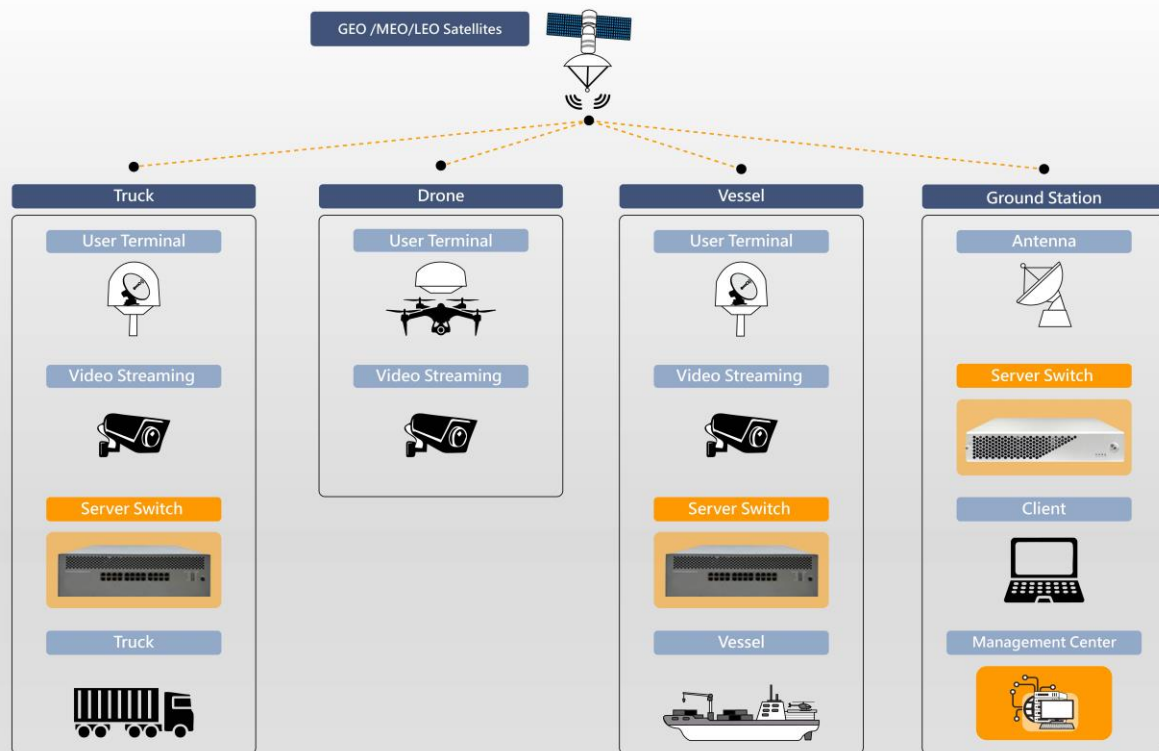
The designed server switch can receive satellite signals and integrate different application modules, to provide service to various IP end devices.

Key Technologies

Highly integrated networking management system and satellite application HW/SW, Video Streaming, and RubyTech patented DMS.



Satellite Video Communication



Use Case

Used in networking communication on **Vessels**, **Drones** and **Ground Stations** to provide resilient network services, in the field of **Military**, **Business**, **Shipping**, **Air Rescue** and others. We continue to expand cooperation with satellite operating partners to support various platforms through DMS and Video Streaming, and to simplify the maintenance for supporting different VMS/NMS/CMS management platforms.

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



Customer Co-marketing

Actively engage in the sales activities with the customers' sales team to enhance sales performance and effectively improve inventory issue

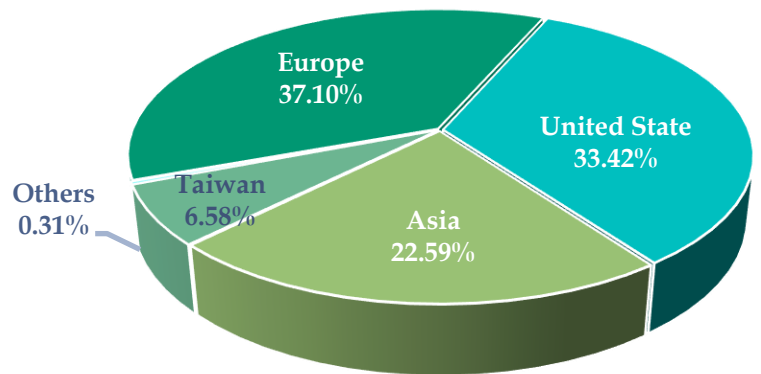




Unaudited Operating Revenue from January to November 2024

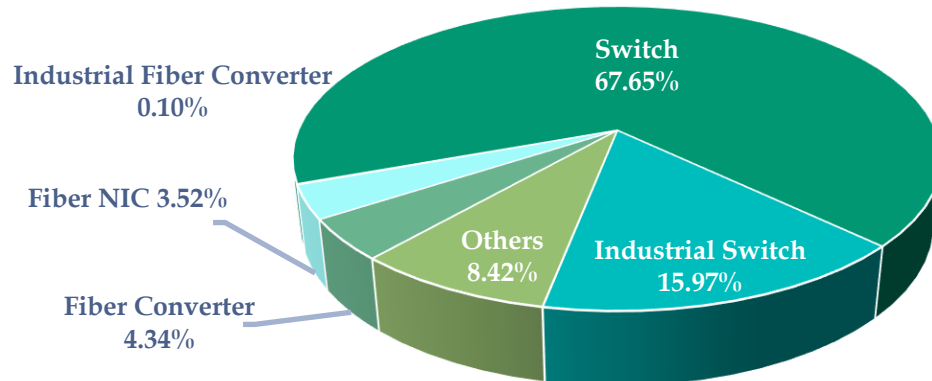
Unit: NT\$ thousands	Jan. - Nov. 2024	Jan. - Nov. 2023	Difference Amount	Increase (%)
Operating Revenue	926,378	1,639,933	-713,555	▼ -44%

Jan. - Nov. 2024,
Sales Breakdown - by Region



■ Europe ■ United State ■ Asia ■ Taiwan ■ Others

Jan. - Nov. 2024
Sales Breakdown - by Product



■ Switch
■ Others
■ Fiber NIC

■ 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 27001:2013 Information Security Mgmt. System

R&D Management

ISO 27034:2011 Information Application Security Mgmt.

Patents

Obtained 6 Advanced Mgmt. System Patents USA, EU, Japan, and Taiwan, to Help Customers Enhance Competitiveness.





Corporate Governance

2015 (Based on 2014 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	40	30	70	70
6%~20%	120	89	209	279
> 21%	638	476	1,114	1,393
Sum	798	595	1,393	

2016 (Based on 2015 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	41	31	72	72
6%~20%	124	94	218	290
> 21%	659	498	1,157	1,447
Sum	824	623	1,447	

2017 (Based on 2016 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	43	33	76	76
6%~20%	126	98	224	300
> 21%	674	522	1,196	1,496
Sum	843	653	1,496	

2018 (Based on 2017 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	43	34	77	77
6%~20%	129	101	230	307
> 21%	689	540	1,229	1,536
Sum	861	675	1,536	

2019 (Based on 2018 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	43	34	77	77
6%~20%	131	103	234	311
> 21%	694	549	1,243	1,554
Sum	868	686	1,554	

2020 (Based on 2019 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	45	35	80	80
6%~20%	135	105	240	320
> 21%	721	559	1,280	1,600
Sum	901	699	1,600	

2021 (Based on 2020 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	45	36	81	81
6%~20%	136	106	242	323
> 21%	724	570	1,294	1,617
Sum	905	712	1,617	

2022 (Based on 2021 Results)				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	46	36	82	82
6%~20%	137	109	246	328
> 21%	730	581	1,311	1,639
Sum	913	726	1,639	

2023 (Based on 2022 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%	602	477	1,079	1,662
Sum	928	734	1,662	

2024 (Based on 2023 Results)				
All OTC Companies				
Evaluated	TWSE-Listed	TPEX-Listed	Total	Cumulative
Top 5%	48	38	86	86
6%~20%	142	113	255	341
21%~35%	143	113	256	597
> 36%	619	490	1,109	1,706
Sum	952	754	1,706	
Market Value < 50M				
Evaluated	Total	Cumulative		
Top 1%	8	8		
2%~10%	74	82		
11%~20%	82	164		
> 21%	652	816		
Sum	816			

ESG and Greenhouse Gas (GHG) Initiative



RubyTech is advancing the following initiatives in 2024:
The preparation of the 2023 Sustainability Report, the greenhouse gas inventory and verification for individual entities.

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Financial Status

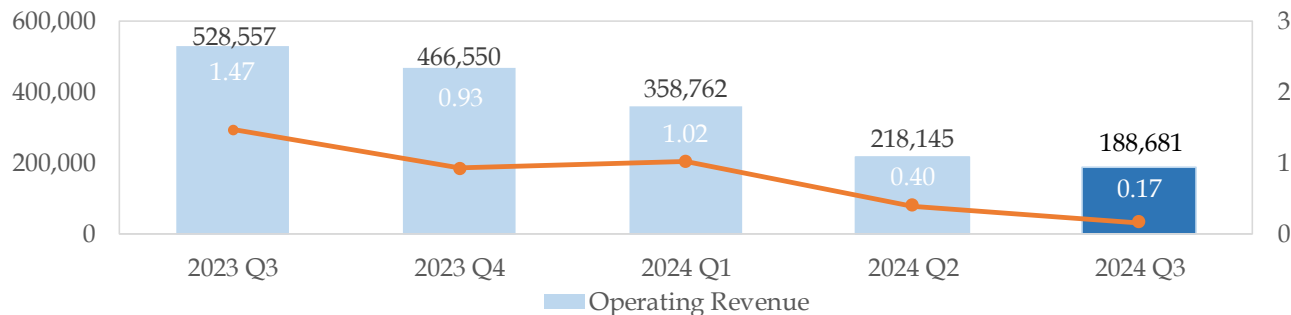


2024 Consolidated Statements of Comprehensive Income – Quarter Growth

Unit: NT\$ thousands

Items	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	YOY(%)
Operating Revenue	528,557	466,550	358,762	218,145	188,681	-64%
Gross Profit	146,103	140,849	104,617	69,473	58,358	-60%
Gross Margin	27.64%	30.19%	29.16%	31.85%	30.93%	3.29%
Income from Operations	82,169	77,117	54,657	24,716	14,640	-82%
Net Income	84,748	53,530	58,905	23,066	9,844	-88%
EPS (NT\$)*	1.47	0.93	1.02	0.40	0.17	-88%

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



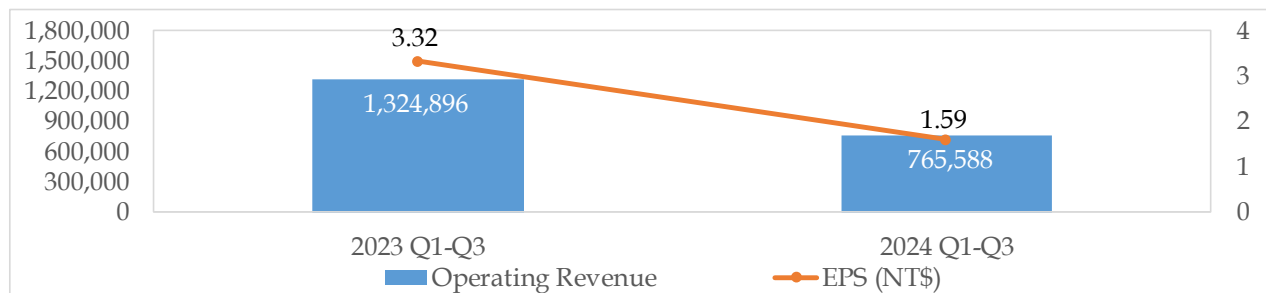


2024 Q1-Q3 Consolidated Statements of Comprehensive Income – Annual Growth

Unit: NT\$ thousands

Items	2023 Q1-Q3	2024 Q1-Q3	YOY	
	Amount	Amount	Amount	%
Operating Revenue	1,324,896	765,588	(559,308)	-42%
Gross Profit	370,028	232,448	(137,580)	-37%
Gross Margin	27.93%	30.36%	***	2.43%
Income from Operations	201,350	94,013	(107,337)	-53%
Net Income	191,695	91,815	(99,880)	-52%
EPS (NT\$)*	3.32	1.59	(1.73)	-52%

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



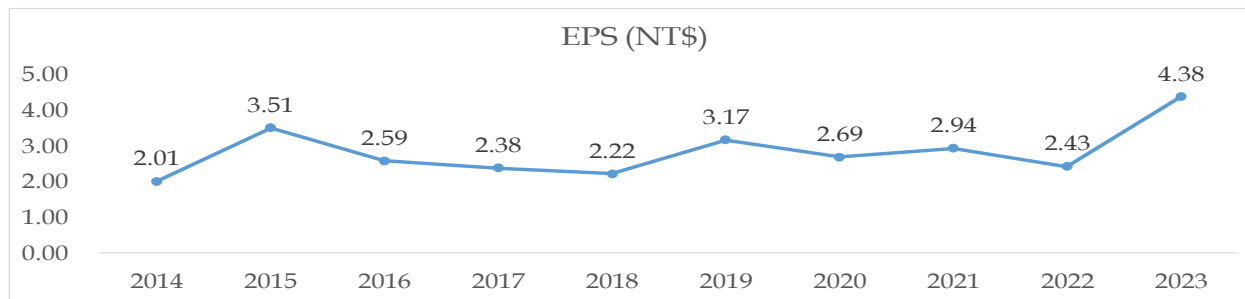


Consolidated Balance Sheets as of September 30, 2024

Unit: NT\$ thousands						
Items	Sep. 30, 2024		Dec. 31, 2023		Sep. 30, 2023	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	▲ 124,661	10%	286,331	17%	311,299	18%
Financial assets at fair value	100,548	7%	109,417	7%	104,337	6%
Financial assets at amortized cost	▲ 403,801	31%	247,831	15%	203,584	12%
Notes and accounts receivable, net	137,805	11%	383,496	23%	407,645	24%
Inventories	214,962	16%	339,180	20%	381,594	22%
Property, plant and equipment	260,976	20%	257,100	15%	250,295	15%
Other assets	67,328	5%	43,391	3%	44,760	3%
TOTAL ASSETS	1,310,081	100%	1,666,746	100%	1,703,514	100%
Current liabilities	195,210	15%	444,705	27%	534,130	31%
Noncurrent liabilities	4,714	0%	15,203	1%	18,271	1%
TOTAL LIABILITIES	199,924	15%	459,908	28%	552,401	32%
Capital stock	577,838	44%	561,030	34%	561,030	33%
Others	532,319	41%	645,808	38%	590,083	35%
TOTAL EQUITY	1,110,157	85%	1,206,838	72%	1,151,113	68%
TOTAL LIABILITIES AND EQUITY	1,310,081	100%	1,666,746	100%	1,703,514	100%

Operating Results in The Past Years

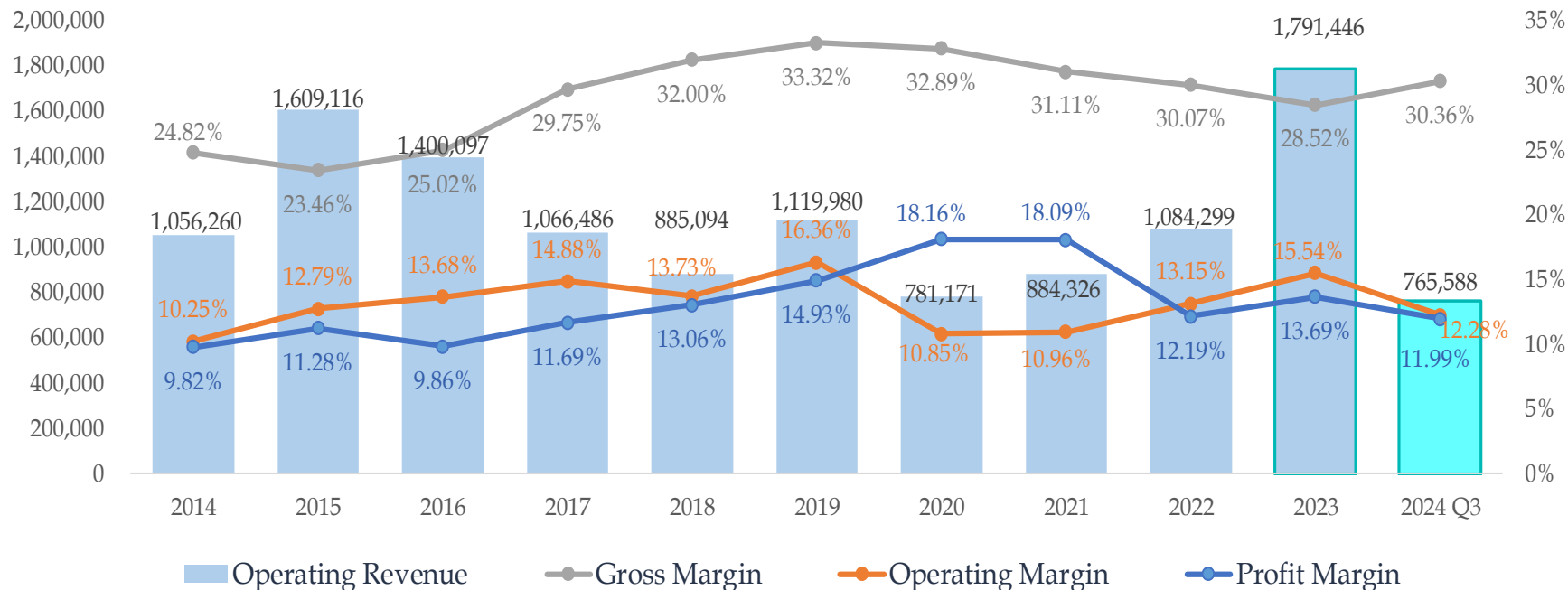
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Jan.-Nov.
Operating Revenue	1,056,260	1,609,116	1,400,097	1,066,486	885,094	1,119,980	781,171	884,326	1,084,299	1,791,446	926,378
Gross margin	24.82%	23.46%	25.02%	29.75%	32.00%	33.32%	32.89%	31.11%	30.07%	28.52%	***
Operating Margin	10.25%	12.79%	13.68%	14.88%	13.73%	16.36%	10.85%	10.96%	13.15%	15.54%	***
Profit Margin	9.82%	11.28%	9.86%	11.69%	13.06%	14.93%	18.16%	18.09%	12.19%	13.69%	***
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	2.43	4.38	***





Operating Trend

Unit: NT\$ thousands





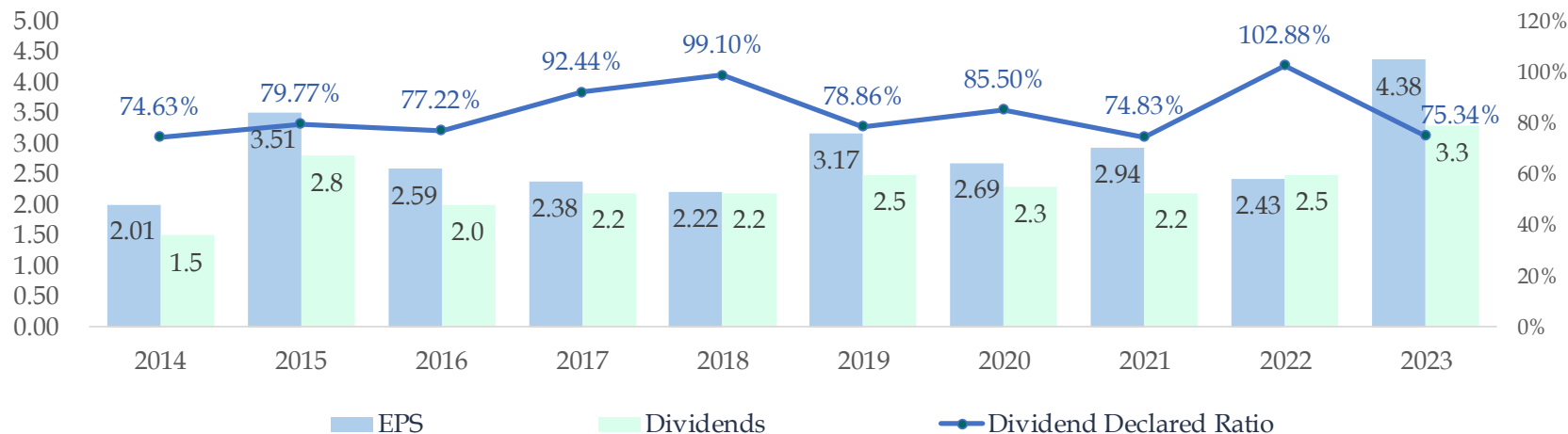
Key Financial Indexes

Items		2022	2023	Jan. - Sep. 2024	Year-Over-Year
Solvency (%)	Current ratio	357.25	309.82	524.81	267.16
	Quick ratio	259.78	232.21	411.69	194.63
Operating Ability	Receivables turnover rate (times)	5.52	5.85	3.92	5.55
	Inventory turnover rate (times)	2.76	3.99	2.57	3.72
Profitability	Return on assets (%)	9.28	16.00	8.23	16.48
	Return on equity (%)	12.09	21.55	10.57	23.02



Status of Dividend Distribution – Dividend, Dividend Declared Ratio

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	2.43	4.38
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	3.3
Dividend Declared Ratio	74.63%	79.77%	77.22%	92.44%	99.10%	78.86%	85.50%	74.83%	102.88%	75.34%

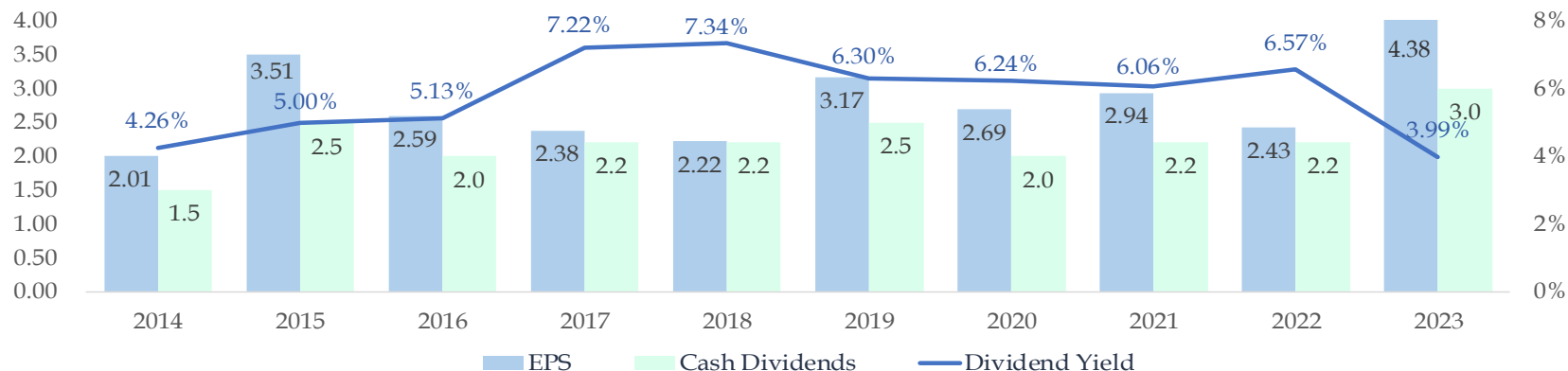


Status of Dividend Distribution – Dividend Yield

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EPS (NT\$)	2.01	3.51	2.59	2.38	2.22	3.17	2.69	2.94	2.43	4.38

Dividend Which Belong to The Year

Stock Dividends (NT\$)	-	0.3	-	-	-	-	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	3.0
Dividend Yield	4.26%	5.00%	5.13%	7.22%	7.34%	6.30%	6.24%	6.06%	6.57%	3.99%



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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 Common Parts Design

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



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Q & A