



2024 Q1 Online Investor Briefing

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General Manager

Agenda

- Company Profile and Status Update
- Operations Strategy and Program Structure
- Operations Overview of Q1 2024
- Financial Status Analysis
- Value Proposition and Operations Outlook
- Q & A

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Company Profile and Status Update

Company Profile



Founded by Mr. Bangfu Zhu, inventor of the Cangjie Input Method, in 1980

Listed on the Taiwan Stock Exchange in 2002 (TWSE 3029)



Headquartered in Neihu Technology Park, Taipei

Offices in Hsinchu, Taichung and Kaohsiung and subsidiaries in Shanghai, Vietnam and Thailand



Paid-in capital of NT 1.55 B

2023 Revenue of NT 13.92 B



390 employees



Equipped with an education & training center and a solution lab



The largest IT service and value-added distributor in Taiwan representing 50+ renowned international IT brands



Industrial ecosystem covering 2,500 resellers, among which 700+ are regular trading partners

Note: Figures calculated as of 2024/03/31

Ecosystem Development Aiming at Sustainable Governance

2010

Entered the **enterprise storage market** and addressed the private cloud transformation business opportunities

2013

Invested in cloud-based content delivery and actively deployed and constructed the **information security market and services**

2014

Entered the **big data market** and strengthened the enterprise IT application solutions

2015

Entered the **AI market** and built an enterprise deep learning platform

2017

Established Zerone Win Investment to deploy the **conglomerate**

2021

Expanded the **Hsin Chu office** to strengthen local channels and project services

2022

Established Digicosmos, a subsidiary that addresses enterprise needs in security and IT automation and provides quality and agile IT services

2024

Established TechOne, a subsidiary, to address regional economic transformation and provide ICT services to Taiwanese businesses deployed in Mainland **China, Vietnam, and Thailand**



Established WingWill, a subsidiary focused on the cloud market

Established Peta Com, a subsidiary focused on diversified distribution approach formulating distribution synergy



Invested in TrustONE and Leukocyte Lab to support government's policy of security localization and **build Zero One's capacity in security**



Established TerraOne to diversify the distribution approach

Established LinkOne, a subsidiary focused on **data/AI consultation services** to build knowledge and capacity.





Operations Strategy and Program Structure

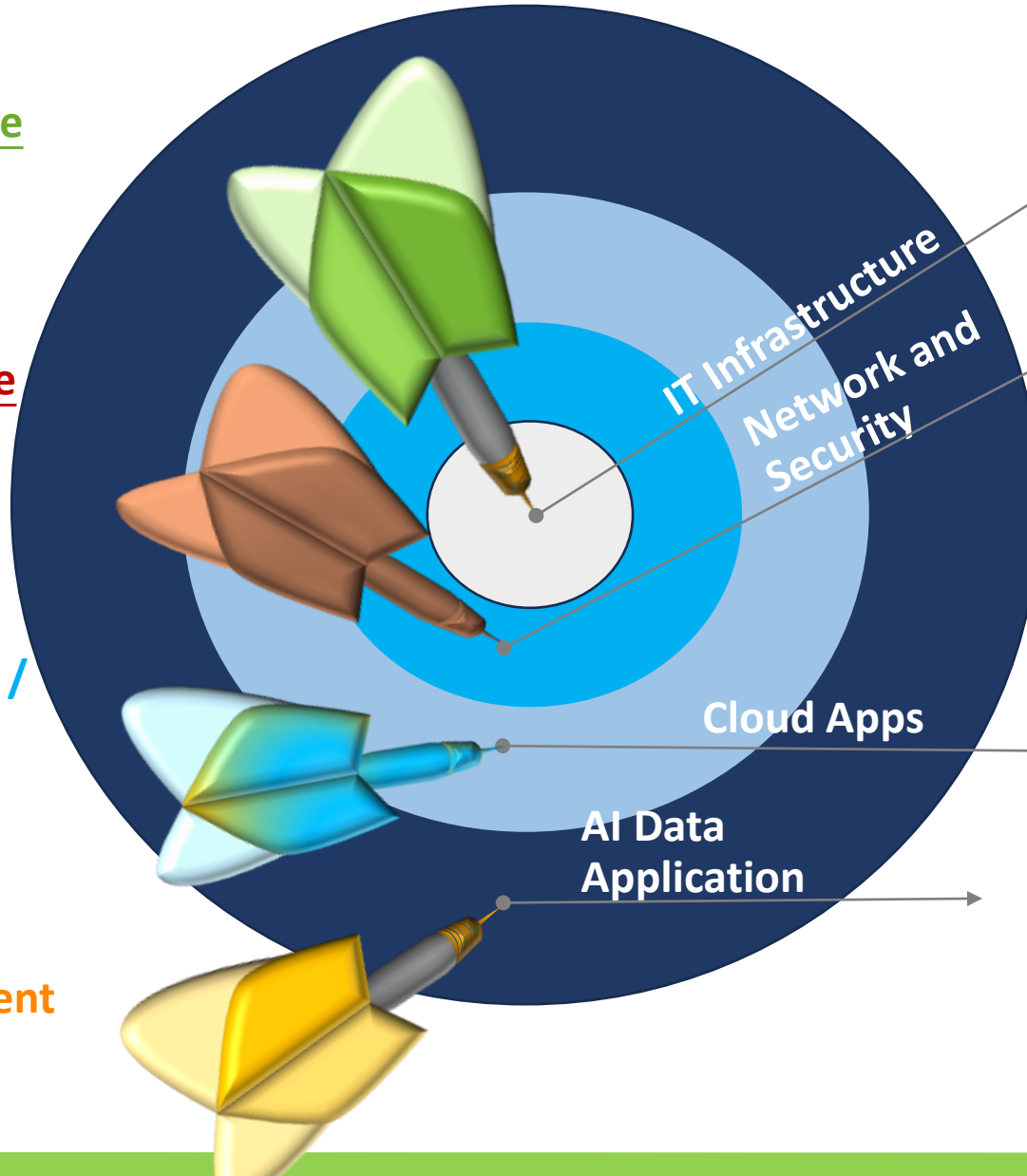
Focus on Industry Needs and Align with Market Trends

ESG for Sustainable Governance
IT Energy Saving Upgrade /
IT Automation

Information Security Resilience
Zero Trust / Supply Chain Risk

Digital Transformation
Hybrid Cloud Management /
Cloud App Market

ML and AI Inside
Generative AI /
GPU Resource Management



bmc logitech NetApp Synology

aryaka CARBONITE CATO cisco
CYCRAFT 奧義智慧科技 datto Extreme networks
FORESCOUT 奥義智慧科技 HYCU Leucocyte-Lab
MANDIANT 奥義智慧科技 NAV/CLOUDR NOZOMI NETWORKS
OPSWAT ONE IDENTITY by Quest paloalto NETWORKS
Quest SAVIYNT THALES TRENDS MICRO
TrustONE TrustView Advanced Solutions for DLP veeam VERITAS

Akamai 隨選雲 AvePoint BitTitan
docusign Google Cloud Partner Microsoft NUTANIX
vmware

AI Labs.tw 台灣人工智慧實驗室 akaBot AUTOMATION ANYWHERE AXIS COMMUNICATIONS
Creatio INFINITIES NVIDIA NetworkOptix VIDEO POWERED
ORing pyramid splunk a CISCO company SENSTAR
+tableau VIVOTEK

ZERONE

Invest resources and services to tap into hybrid cloud subscription business opportunities

~Exclusive Distributorship for Broadcom-VMWARE in Taiwan since Beginning of this Year~

Standardization of the ecosystem

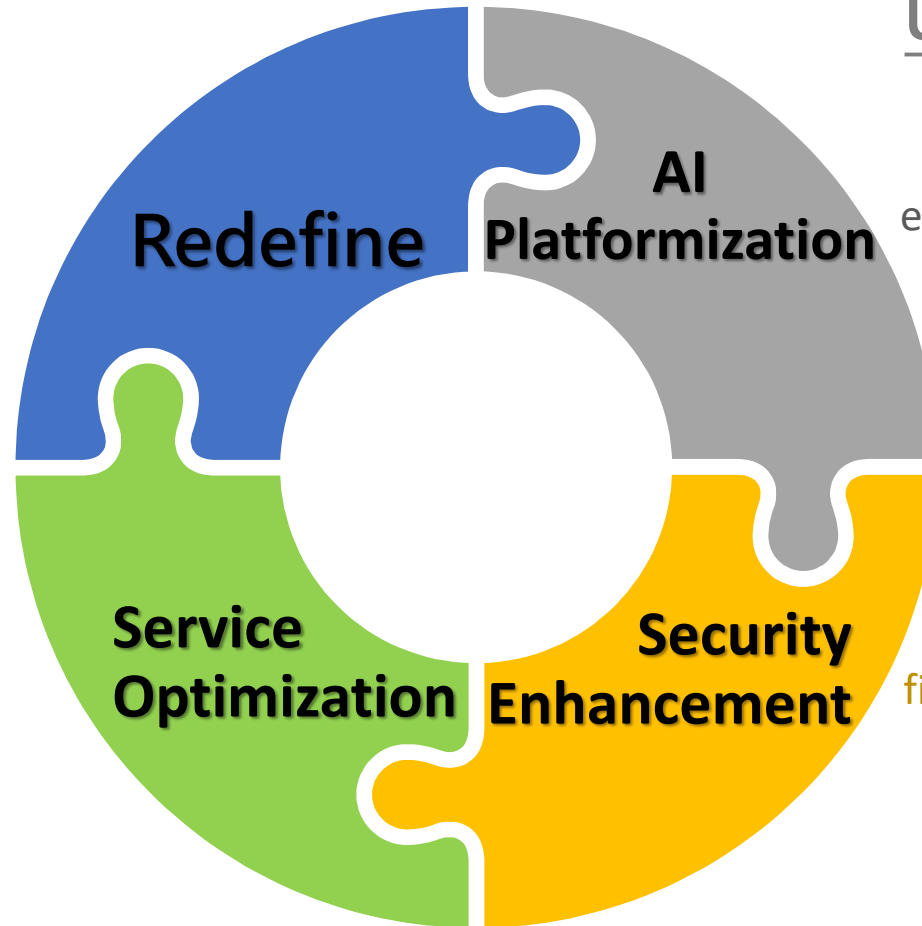
New VCSP partner program simplifying pricing and enhancing profitability.

*Google Cloud is the first to support VMware Cloud Foundation license portability.

New hybrid cloud services

With the advantages of VCF architecture, enterprises can obtain cloud flexibility and compliance without moving core systems to the cloud, thereby accelerating innovation and transformation. In addition, they can cooperate with MSP partners to manage the enterprise's locally deployed VMWARE environment from the cloud.

COMMIT TO EXCELLENCE



Unlock the power of Gen AI & unleash productivity

The VMware Private AI platform simplifies enterprise Gen AI deployments by providing intuitive automation tools, deep learning virtual machine images, vector databases, and GPU monitoring capabilities.

Strengthen infrastructure resilience

VMware Live Recovery is the industry first solution that combines enterprise level disaster recovery with dedicated network recovery, providing a single information management experience across clouds.

[* 2024/3/19 Announcing VMware Live Recovery](#)

ZERONE

Since deep learning to AI stage, Zero One's ecosystem partners have been launched in 2017

AI Infrastructure

AI Data Center / AI Security / AI Data Mgmt.



NVIDIA



Microsoft Azure



paloalto
NETWORKS



TREND
MICRO

splunk
a CISCO company



SAIA

AI Computing resource management



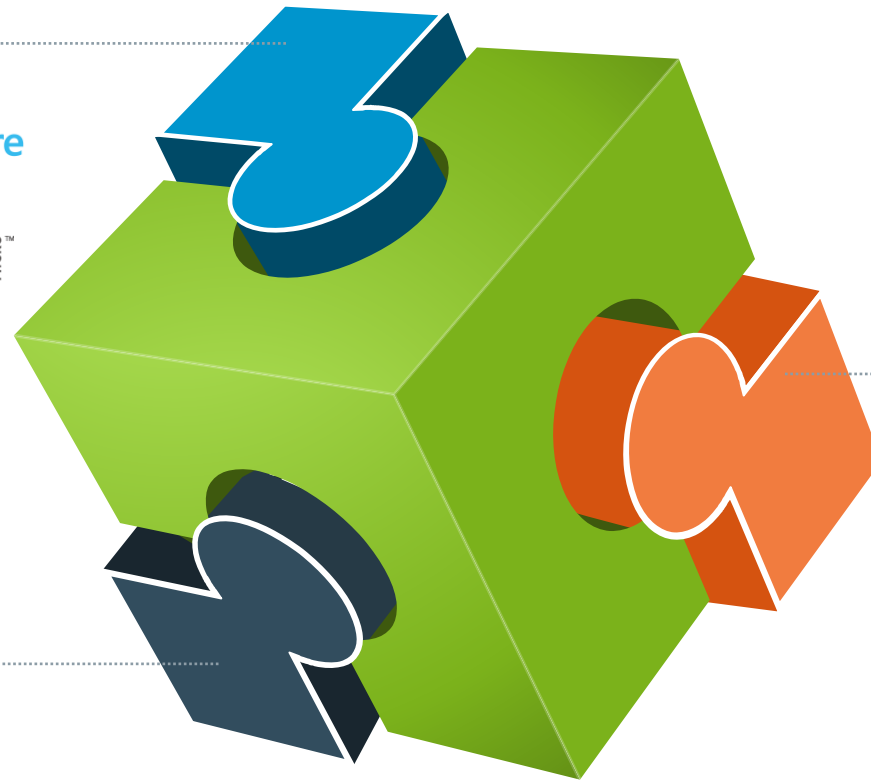
Google
AI Platform



INFINITIES



NVIDIA



AI Industrial application

Customer Service Agent/
Productivity Assistant/
Smart Factory/ AI image analysis



AI Labs.tw

台灣人工智慧實驗室



Gemini



Microsoft 365
Copilot



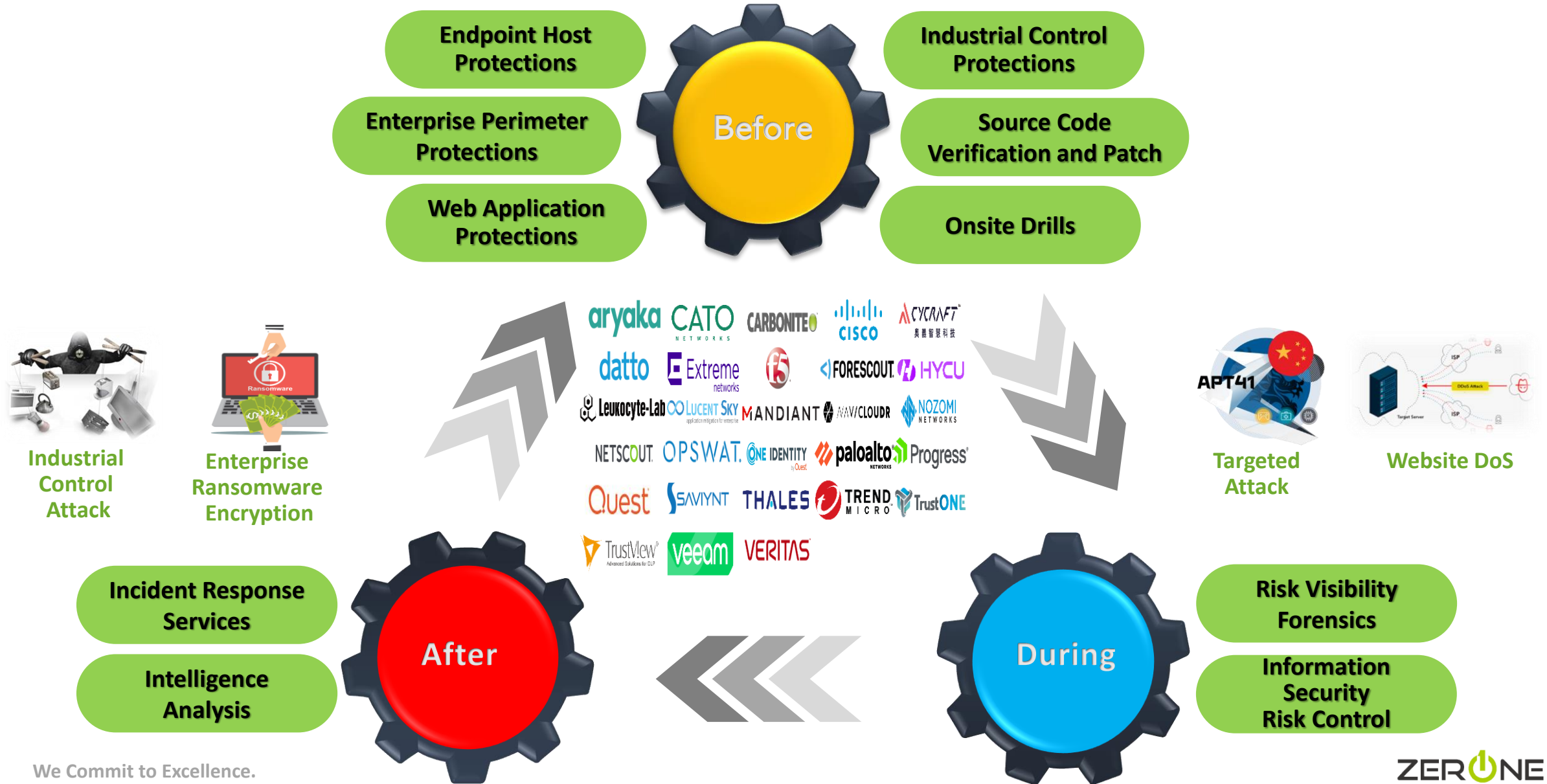
NVIDIA
OMNIVERSE
ENTERPRISE



NetworkOptix

VIDEO. POWERED.

Extensive Experience in Security Brands and Comprehensive Security Services



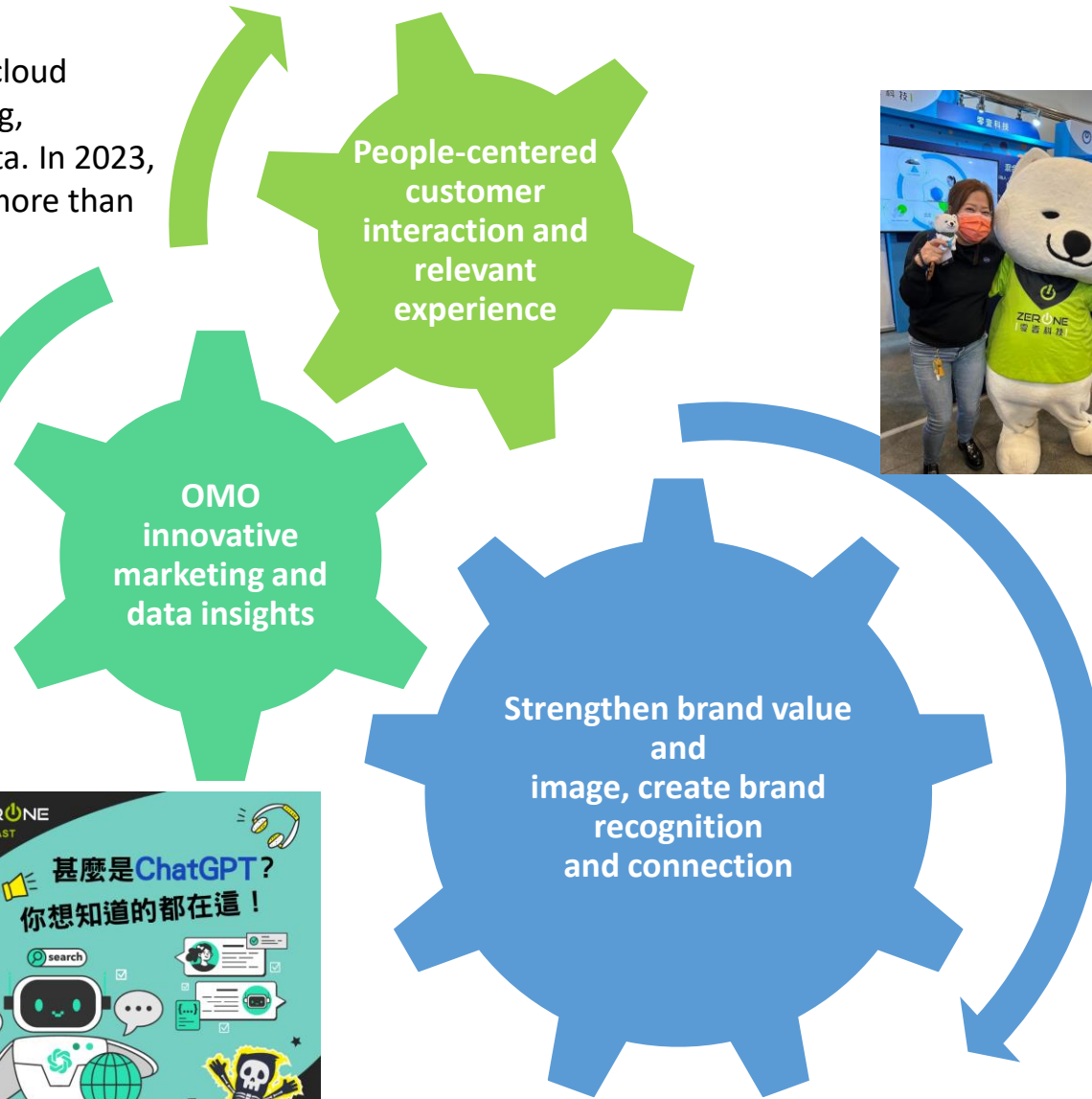
Reinvent Marketing Approach to Increase Relevance

Digital Curation of IT Themes

Focus on six IT themes: information security, cloud services, IT admin and performance monitoring, containers and DevOps, storage, and AI big data. In 2023, 48 online live sessions were completed, with more than 7,000 people participating.



Podcast for ppl to learn about IT via listening



Mascot bringing Zero One closer to customers

AI ChatBot

(AI Customer Service accelerating services and facilitate interaction)

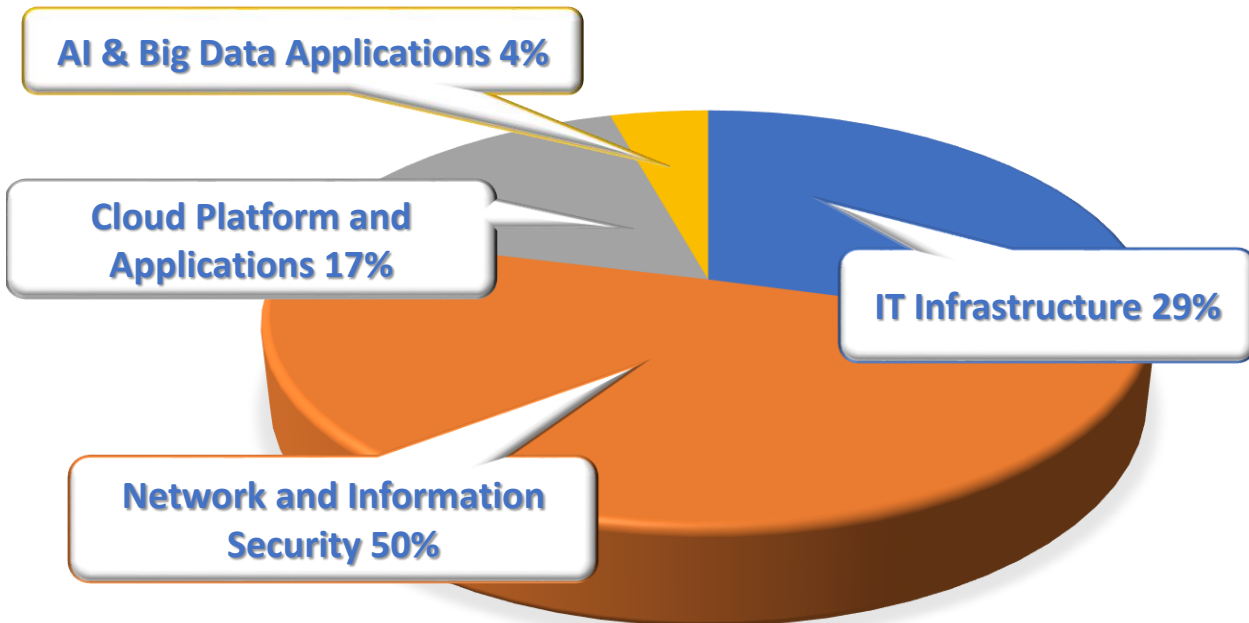




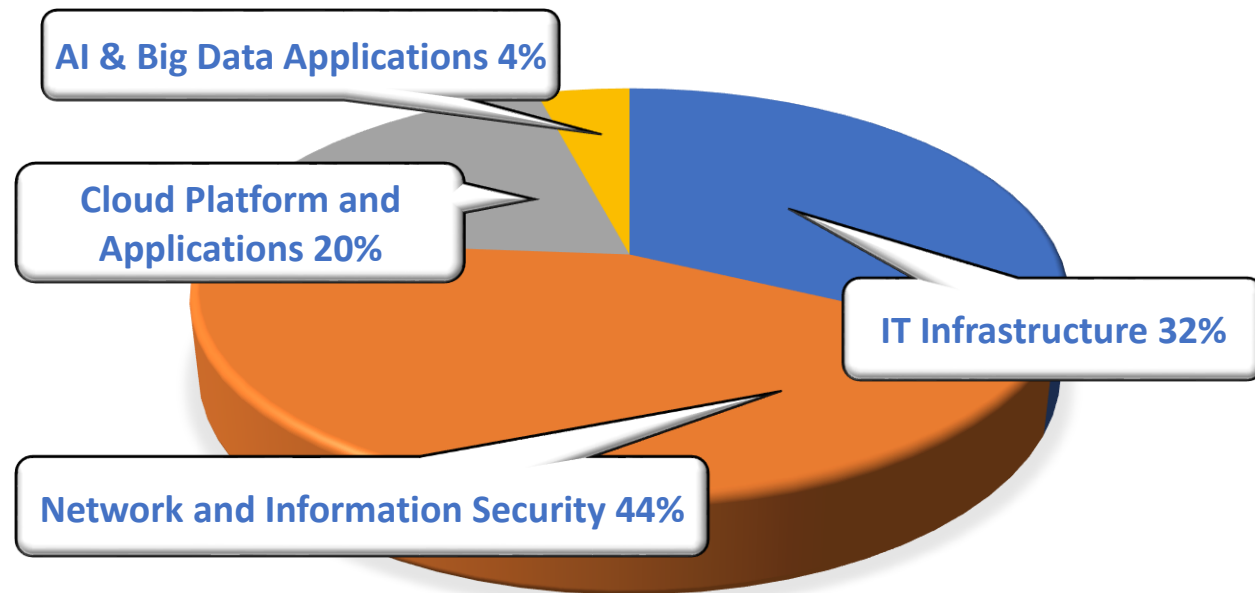
Operations Overview of Q1 2024

Operations Overview of Q1 2024

CUMULATIVE OPERATING REVENUE OF 4.01B

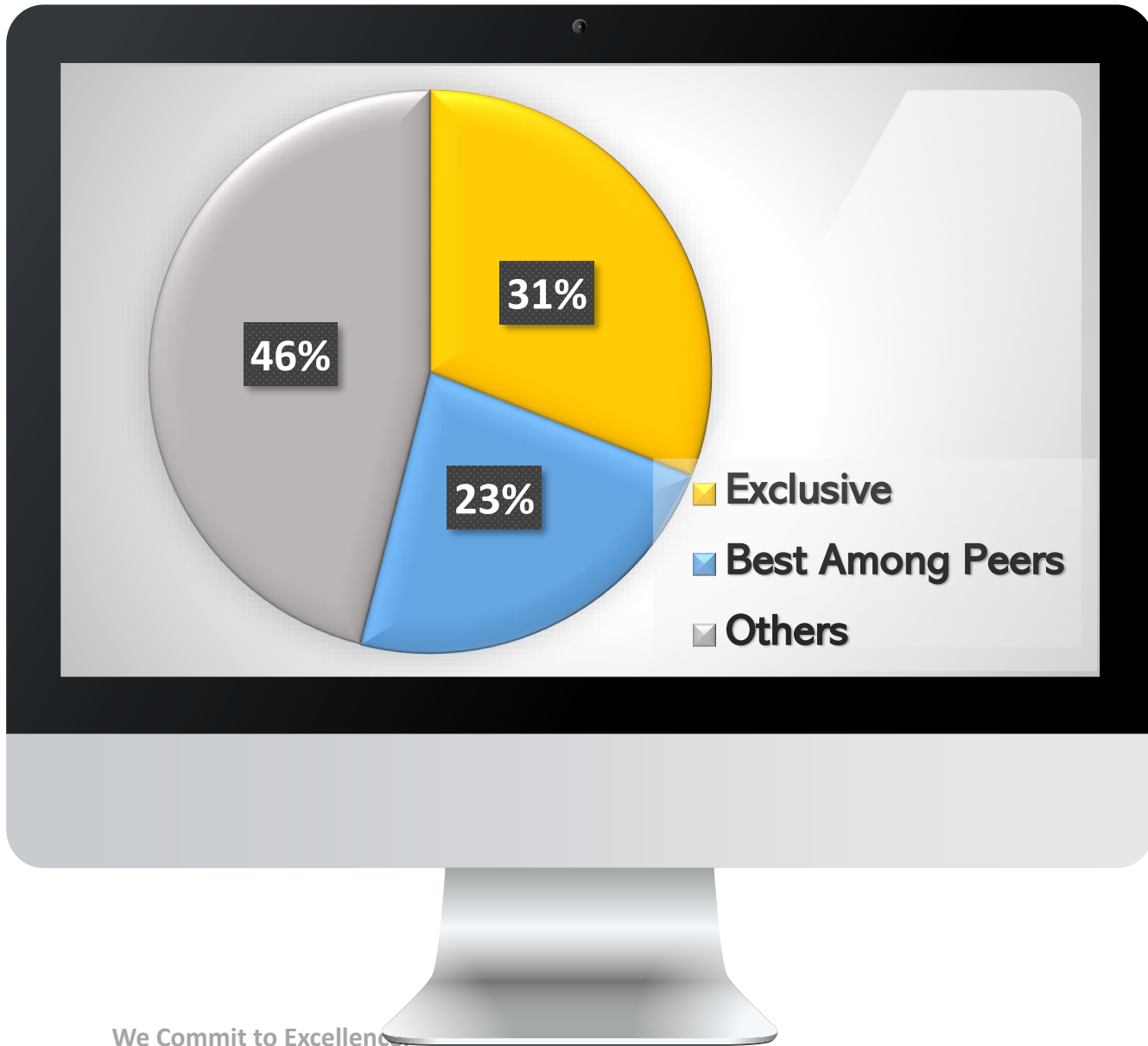


CUMULATIVE OPERATING REVENUE AMOUNTED TO 3.72B IN THE SAME PERIOD LAST YEAR



	Sales (Unit: K TWD\$)		Sales (Unit: K TWD\$)
Product Category	Q1 2024	Product Category	Q1 2023
IT Infrastructure	\$1,171,685	IT Infrastructure	\$1,191,617
Network and Information Security	\$1,985,343	Network and Information Security	\$1,637,142
Cloud Platform and Applications	\$674,003	Cloud Platform and Applications	\$730,551
AI & Big Data Applications	\$171,086	AI & Big Data Applications	\$153,083
Consolidated Revenue	\$4,005,205	Consolidated Revenue	\$3,720,158

Distribution Synergy for 52 Brands



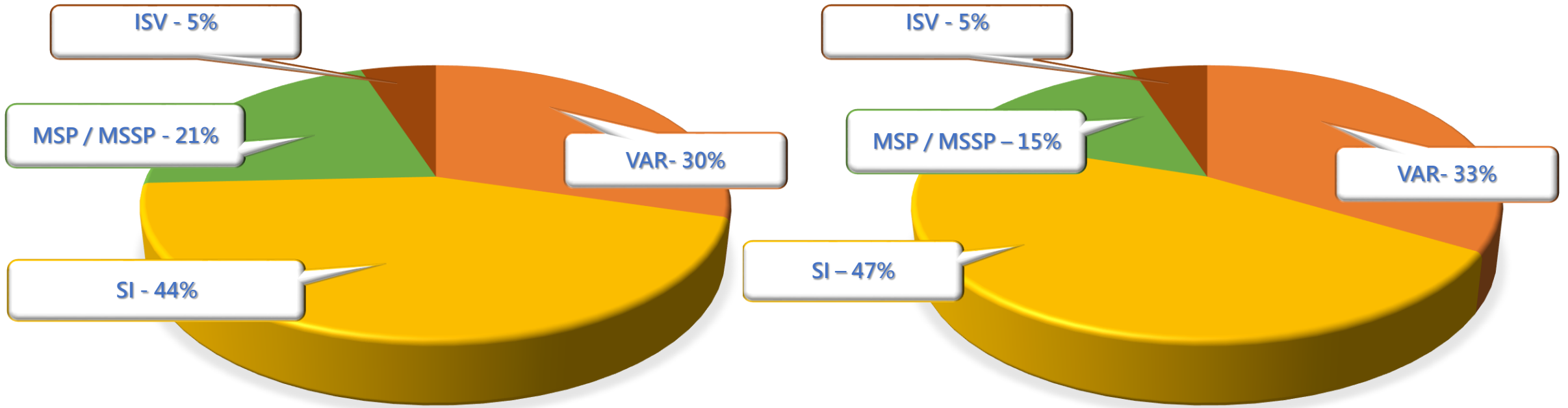
Exclusive Distributorship in Taiwan



Best Distribution Performance in Taiwan



Reseller Analysis for FY23 vs. FY22





Financial Status Analysis

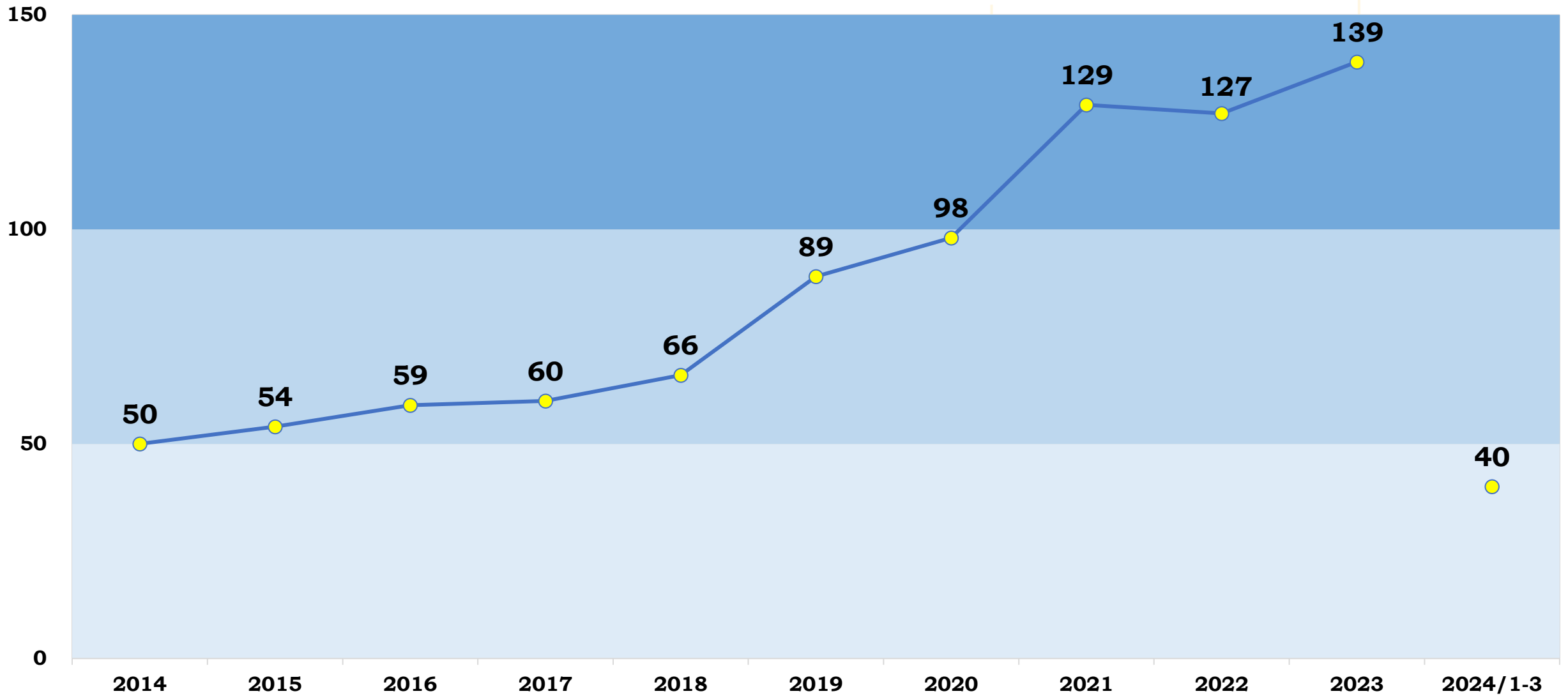
Katy Chang

Senior Director

Financial & Credit AR Management Division

Consolidated Revenue of Previous Years

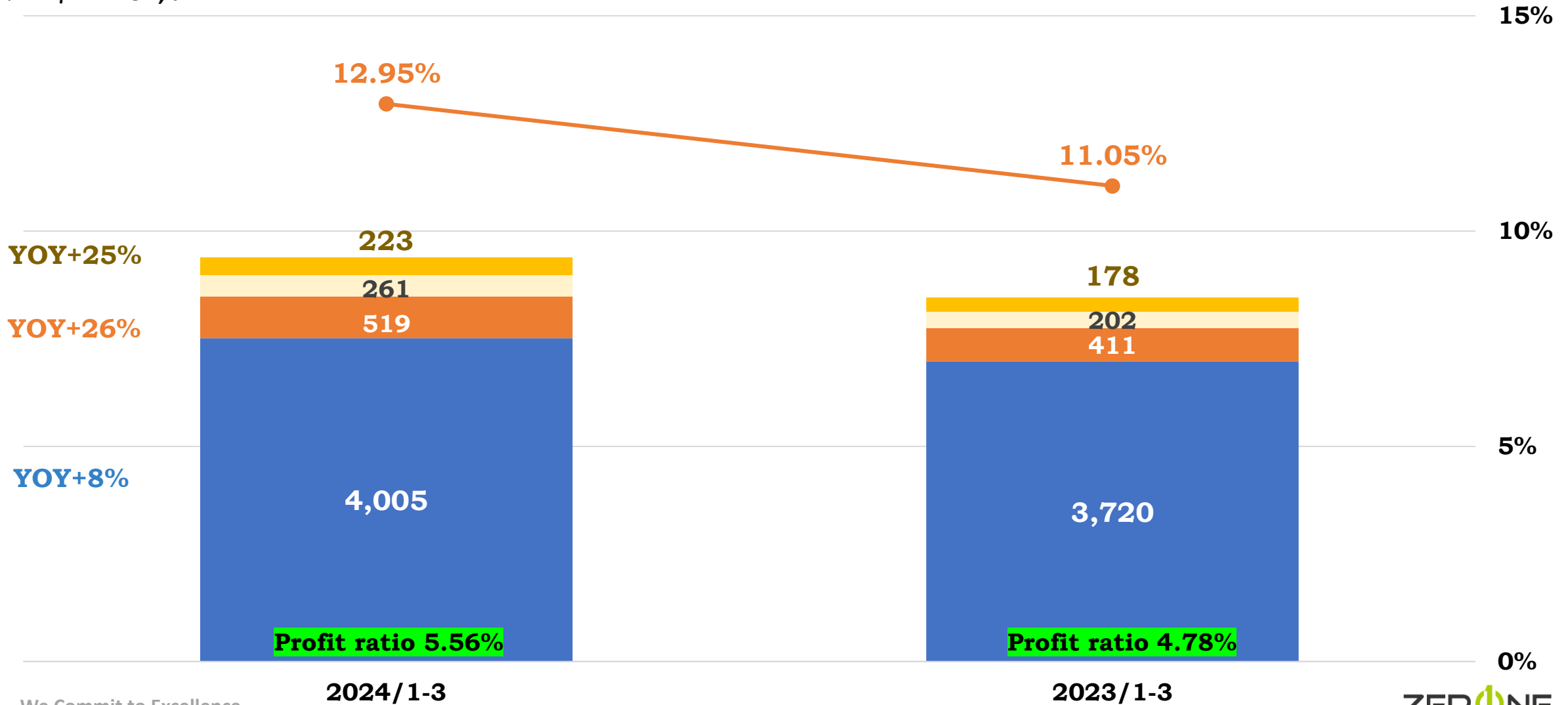
Unit: NT\$ 100 Million



Bar Chart of Condensed Income Statement (Year-over-Year)

■ Operating Revenue
 ■ Gross Profit
 ■ Operating Expenses
 ■ Net Profit
 ● Gross Profit Ratio

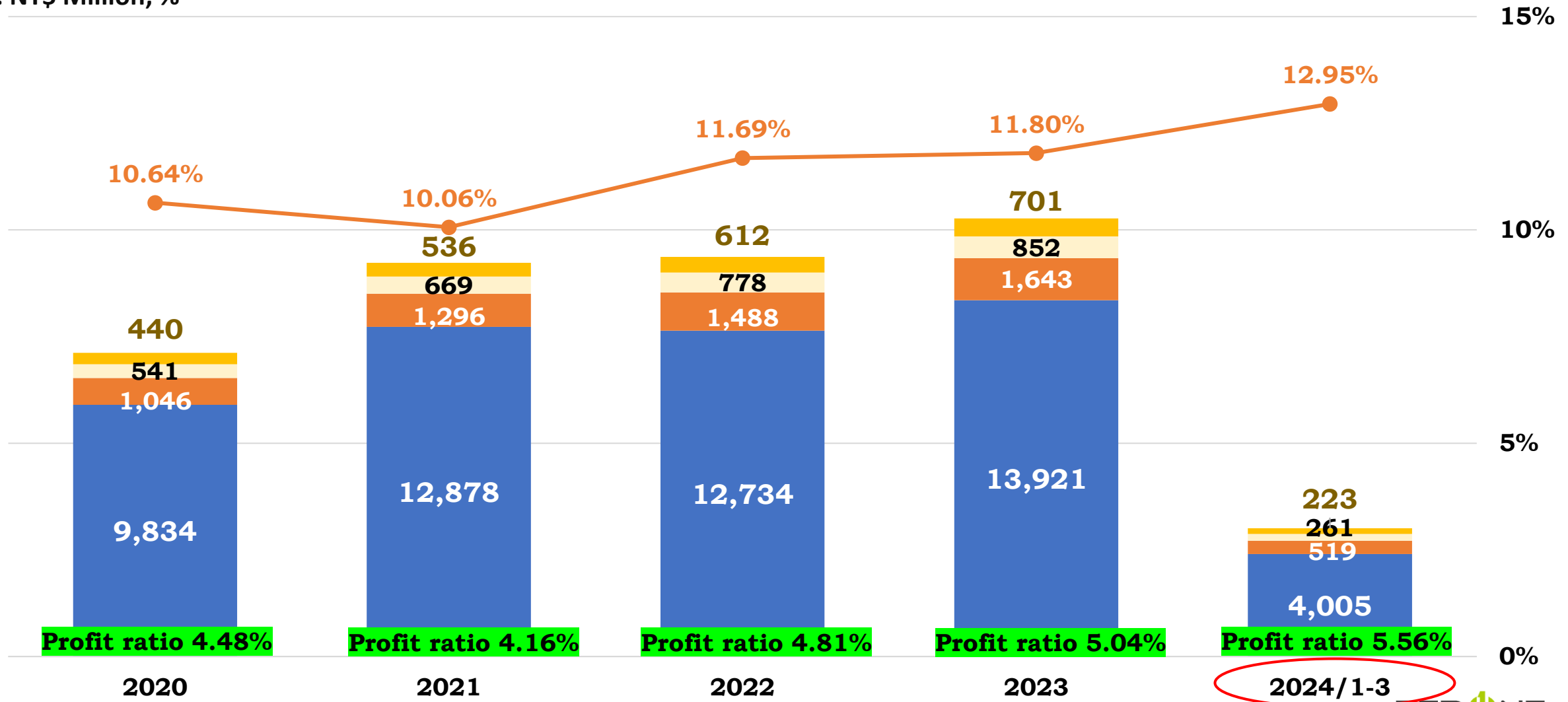
Unit : NT\$ Million; %



Bar Chart of Condensed Income Statement

■ Operating Revenue
 ■ Gross Profit
 ■ Operating Expenses
 ■ Net Profit
 —●— Gross Profit Ratio

Unit: NT\$ Million; %



Condensed Consolidated Balance Sheet

Unit: NT\$ Million

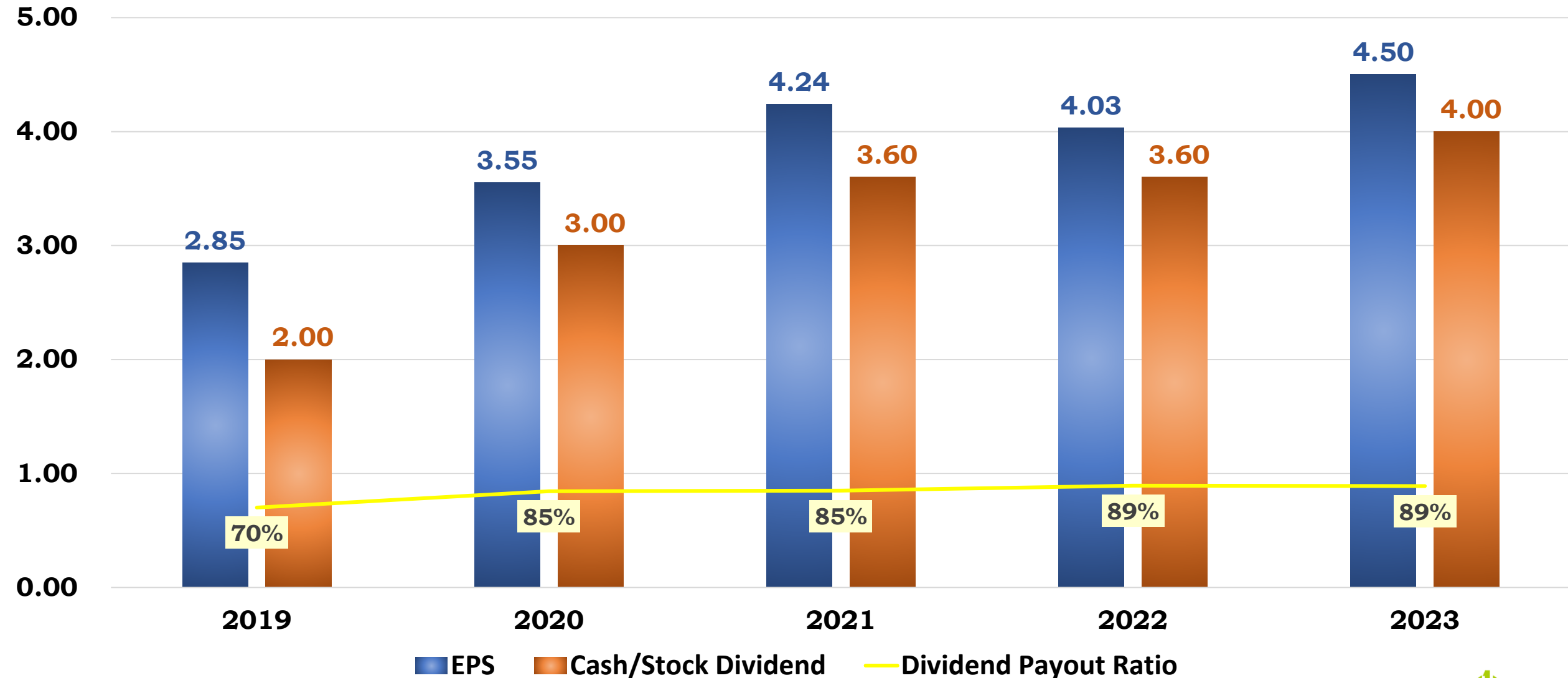
Items	2024/3/31		2023/12/31		2023/3/31	
	Amount	%	Amount	%	Amount	%
Cash and financial assets-current	2,409	25%	2,089	26%	2,316	29%
Notes, trade receivable	3,786	40%	3,277	41%	3,218	42%
Inventories	1,067	11%	1,273	16%	1,242	16%
Fixed assets and financial assets-noncurrent	1,442	15%	1,225	16%	854	11%
Goodwill	631	7%	-	0%	-	0%
Total assets	9,535	100%	7,979	100%	7,761	100%
Trade payables	3,046	32%	3,002	38%	2,903	37%
Other payables	870	9%	275	3%	740	10%
Total liabilities	4,451	47%	3,693	46%	4,135	53%
Total equity attributable to owners of the Company	3,770	39%	4,135	52%	3,592	46%
Non-controlling interests	1,314	14%	151	2%	34	1%
Total equity	5,084	53%	4,286	54%	3,626	47%

Financial Index Analysis

Item	2020	2021	2022	2023	2024/1-3
Debts ratio (%)	51.2	48.6	50.3	46.3	46.7
Current Ratio(%)	167.5	184.2	177.4	182.3	165.8
Quick Ratio(%)	121.9	139.6	127.7	147.2	141.1
Average Collection Days	77	71	83	81	81
Average Inventory Turnover Days	53	46	59	48	31
Average Payables Days	89	83	103	95	79

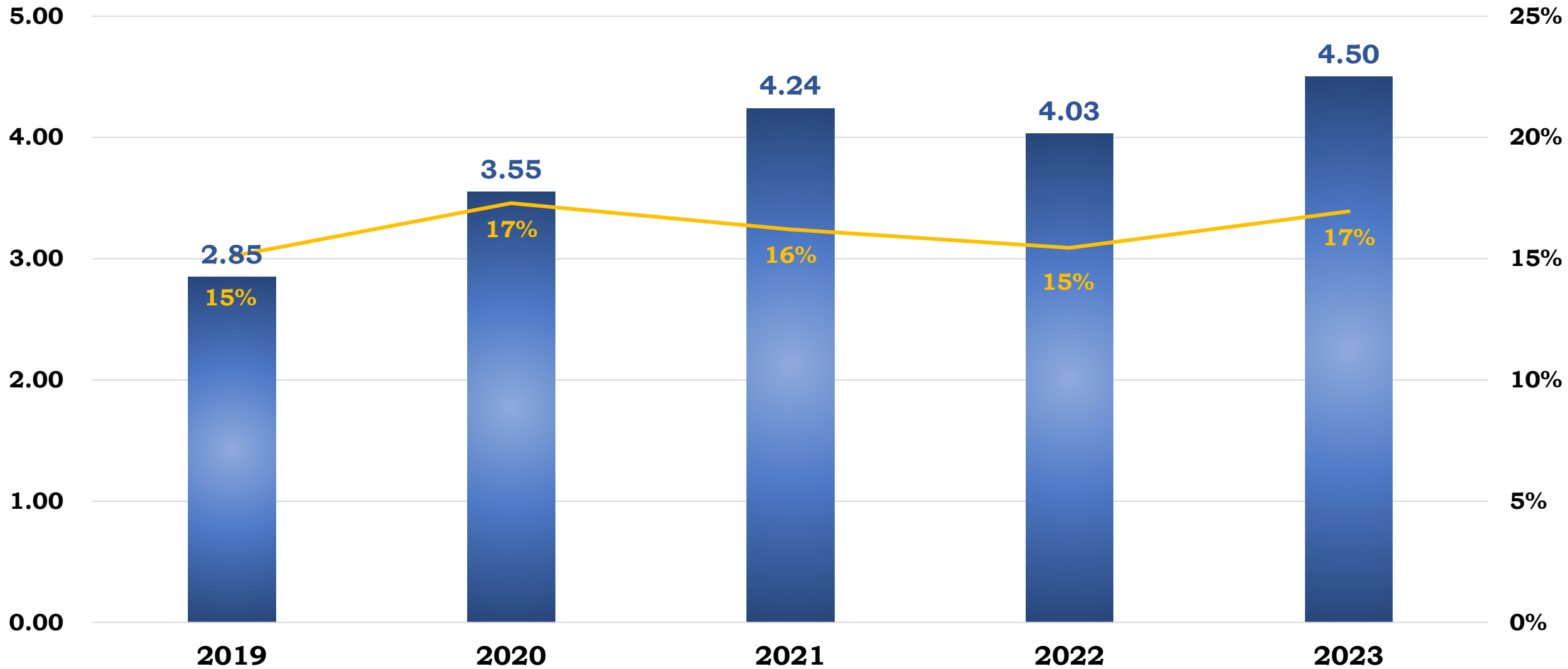
EPS & Dividend Payout Ratio of Previous Years


Unit: NT\$



ROE of Previous Years

Unit: NT\$



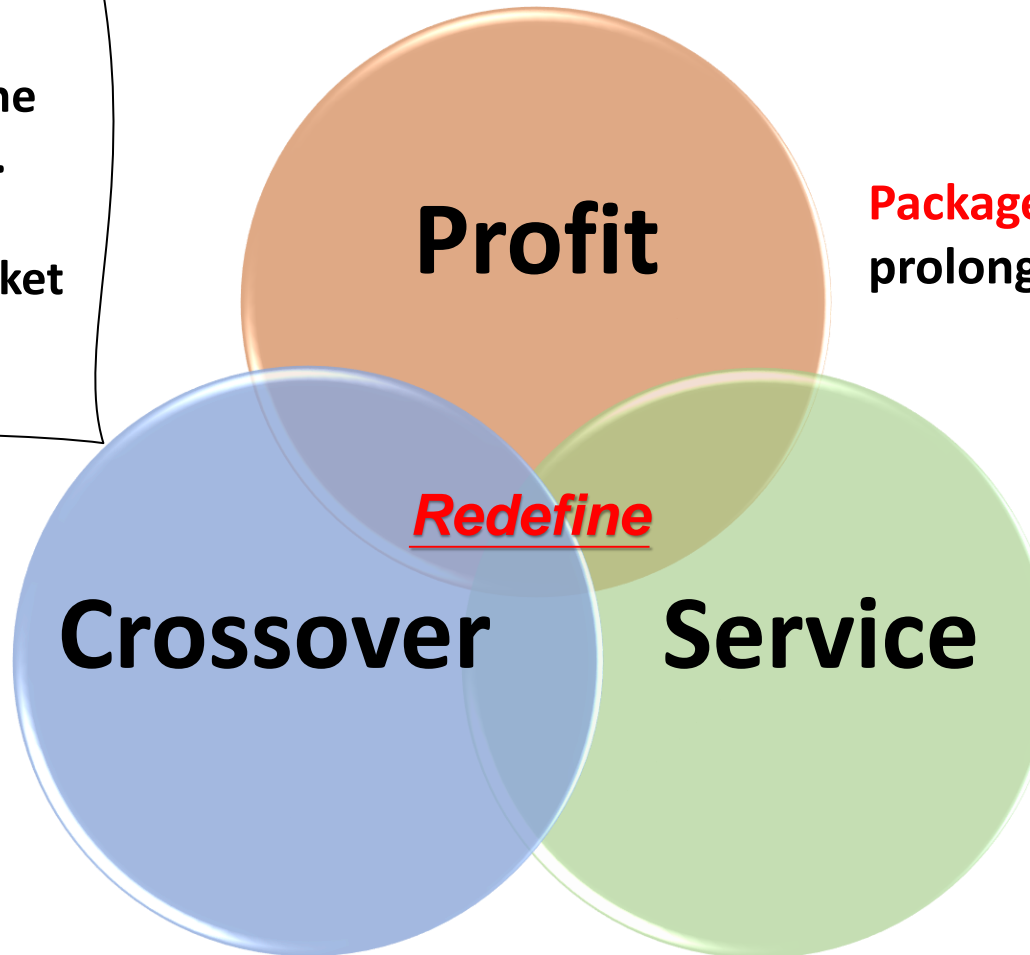


Value Proposition and Operations Outlook

Opportunities and Challenges of the IT Service Industry in Taiwan

Transformation and new technology adoption require the support of **IT service providers**. However, due to the 5 insufficiencies and limited market scale of Taiwan, **redefining the market will be the key**.

Industry insight builds trust but there's a lack of talents.



Packaged deal promotes profitability but prolongs the sales cycle.

Services create new demand but add to the cost.

Commitment to Channel Segmentation and Partner Ecosystem Building

Public Cloud Vendor

Owns the largest digital resource and maintenance platform. Enterprise transformation will be impossible without cloud.

Software Developer

Owns the ability to customize and connect seamlessly the legacy and new system to address enterprise sustainability.

IT System Integrator

Best knows enterprise needs and the pioneer to digitize enterprise operations.

International and Domestic Security Provider

Technology centric and service first. Protecting enterprise operations and mitigate security risks.

AI Big Data App Developer

Owns the ability to develop business algorithm to speed up business applications and productivity.



Based on **IT Infra** and **Cloud**, focused on **Security** and **AI** to achieve Sustainability!





Thank you for your attention.

Q&A