

# ARIZON RFID Technology

英屬開曼群島永道射頻技術股份有限公司

TWSE Ticker | 6863

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# Company Overview

# Company Profile

**Establish Date** 2021/10/21

**Chairman** Felix Ho

**General Manager** Bing-Yi Lin

**Capital** NT\$743mm (NT\$10 per share, 74,318,000 shares)

**Consolidated Revenue** NT\$2.685bn., Net Income 448mm (2023FY)

**Main Products** Design and manufacturing RFID antennas & readers,  
RFID tags & manufacturing, RFID application system integration

**Production Sites** Yangzhou (China), Taipei City (Taiwan)

**Number of Employees** 682 (2023FY)



# History



Asia's first company to join MIT AUTO-ID Center

Arizon RFID Technologies was established, the largest RFID inlay manufacturer in Aisa

Asia's first EPC global certified RFID testing center

Yangzhou factory was established It became the world's largest RFID inlay manufacturing factory

Teipei factory was established It became the second production base Target annual production capacity of 1 billion inlays

The second Yangzhou factory was established Annual production capacity reached 5bn inlays

Yangzhou & Taipei factories obtained ARC Certification

Arizon (6863-KY) listed on the stock exchange



## Taipei Factory Expansion

Taipei factory production capacity was increased from 880mm to 1.8bn.

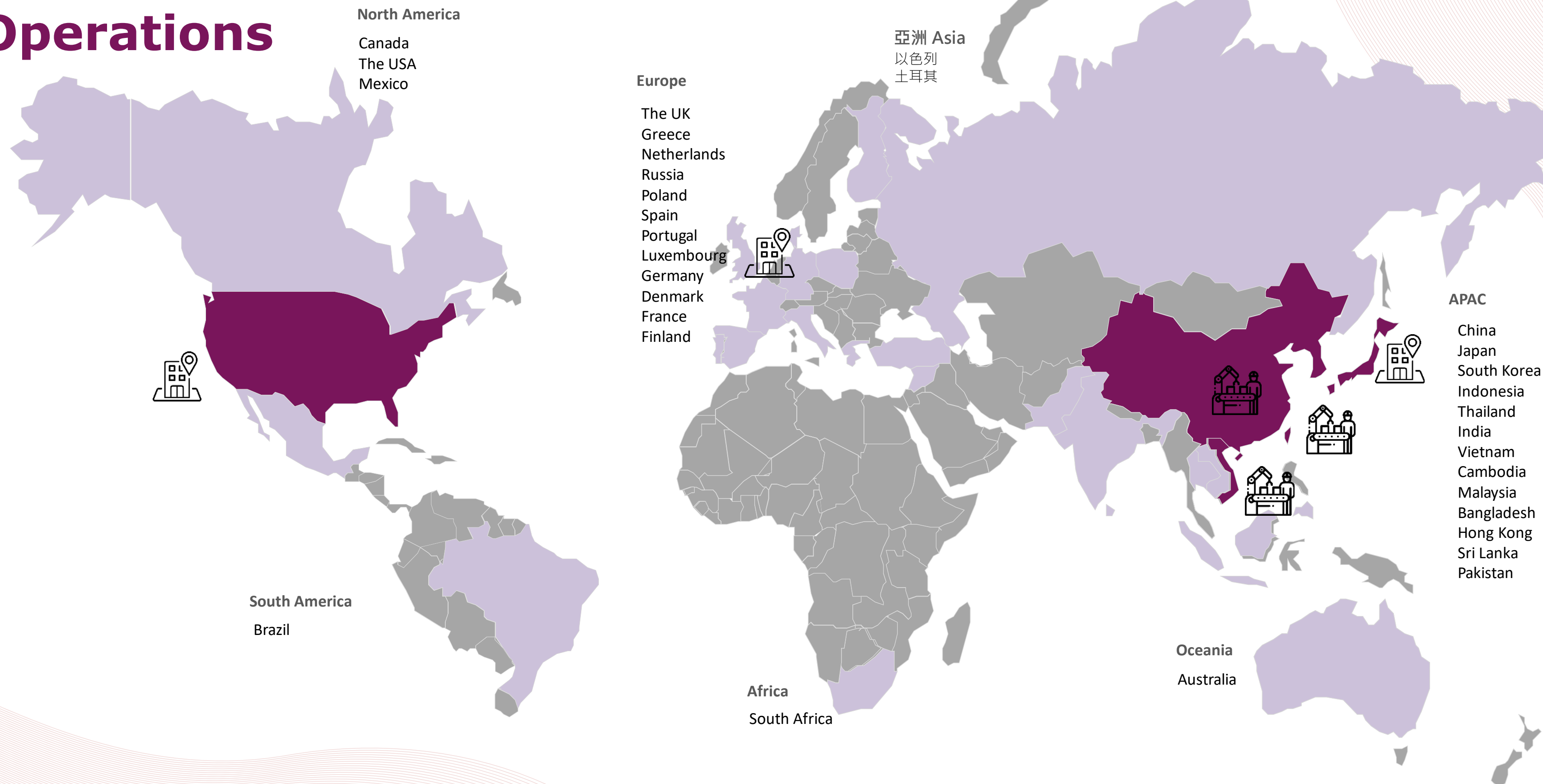
## Establishing a U.S. Subsidiary

Timely respond to the increasing demands of the U.S. market.  
Focus on potential business opportunities in Central and South America.

## Investing in a Subsidiary in Vietnam

For the future North Vietnam factory, the area is 1.6 times bigger than Yangzhou factory area.  
Production is expected to begin by the end of the second quarter of 2025.  
Main production base for export to European and American markets in the future.

# Global Operations



# Global Renowned Clients and Projects



MANGO

LOUIS VUITTON

LANDMARK



HITACHI

SONY



C&A

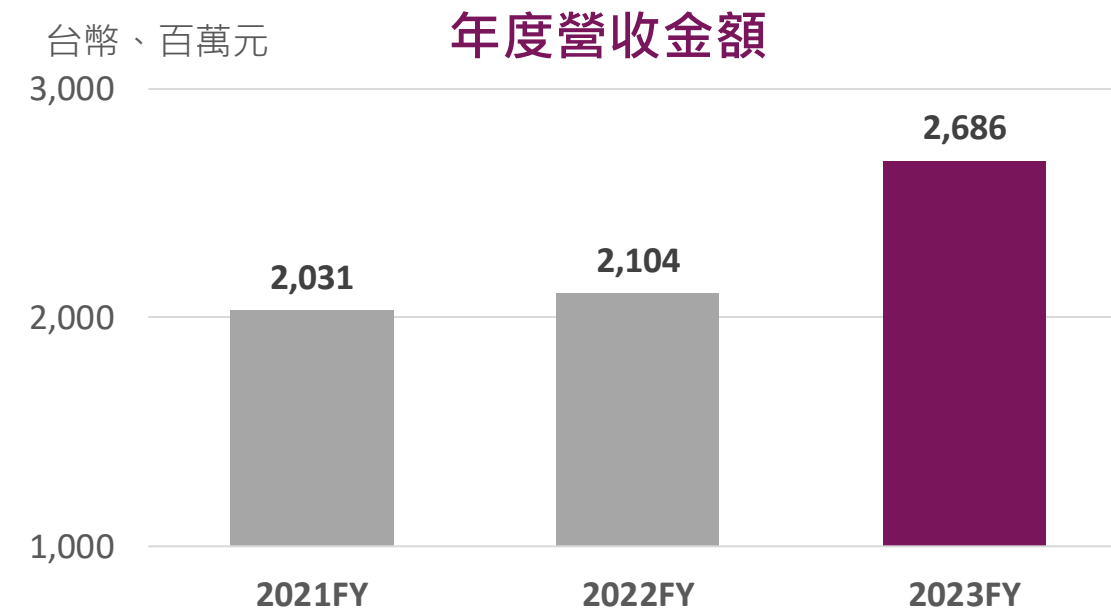




# Operation Highlight



# Revenue, Profit, and Growth in Recent Years

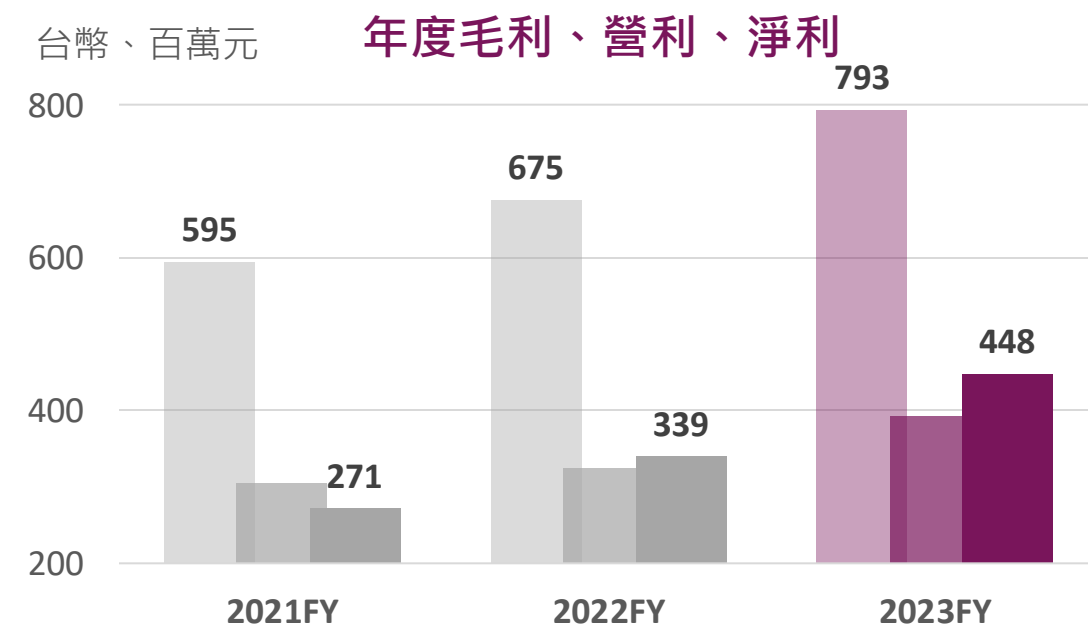


Sales Revenue 2023

**26.9**億

YoY Increase in Sales

**+27.7%**

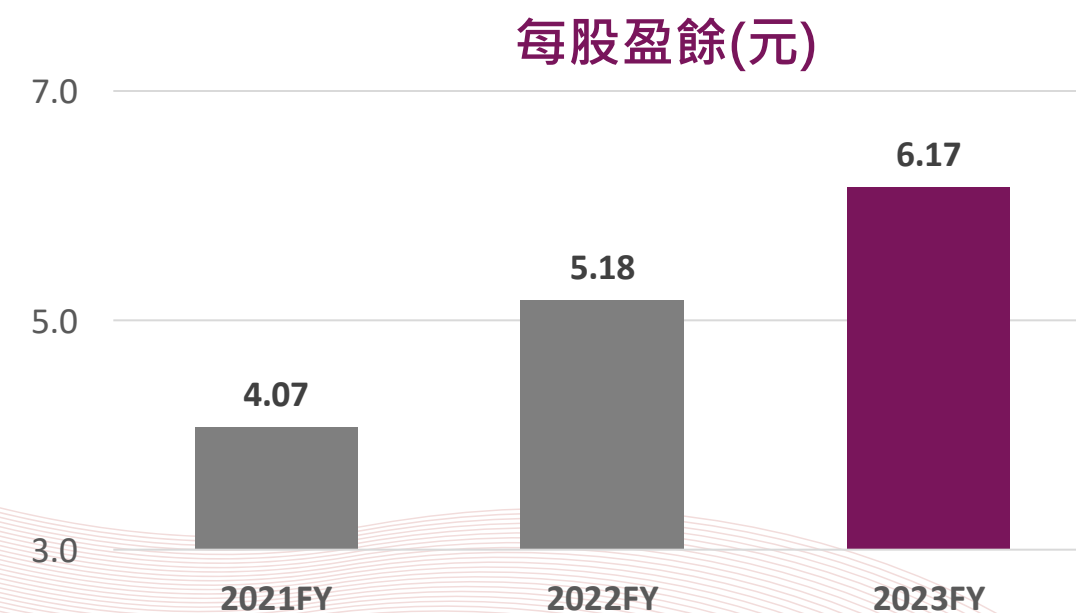


Gross Margin 2023

**29.5%**

YoY Increase in Margin

**+17.4%**



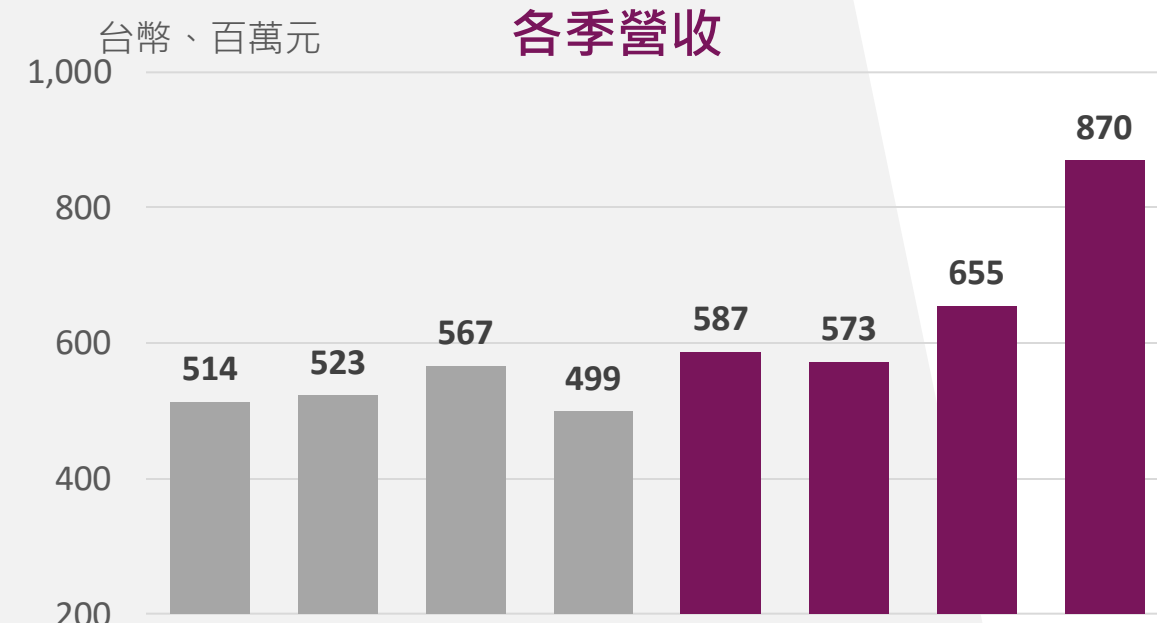
EPS in 2023

**\$ 6.17**

YoY Increase in EPS

**+19.1%**

# Quarterly Performance and Growth

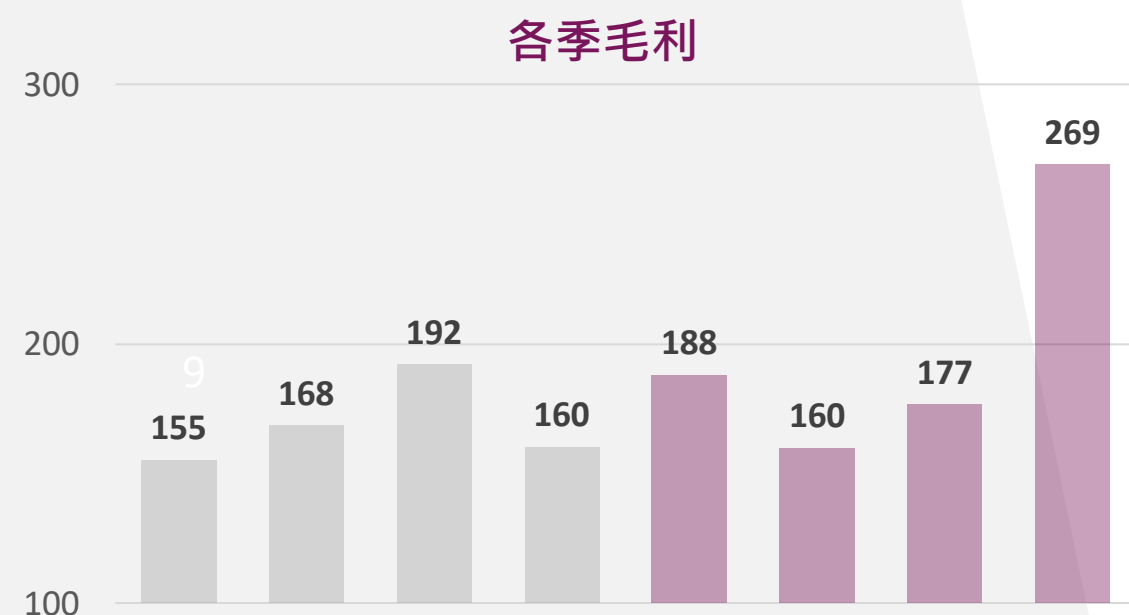


Sales Revenue 2023Q4

8.70億

QoQ Increase in Sales

+32.8%

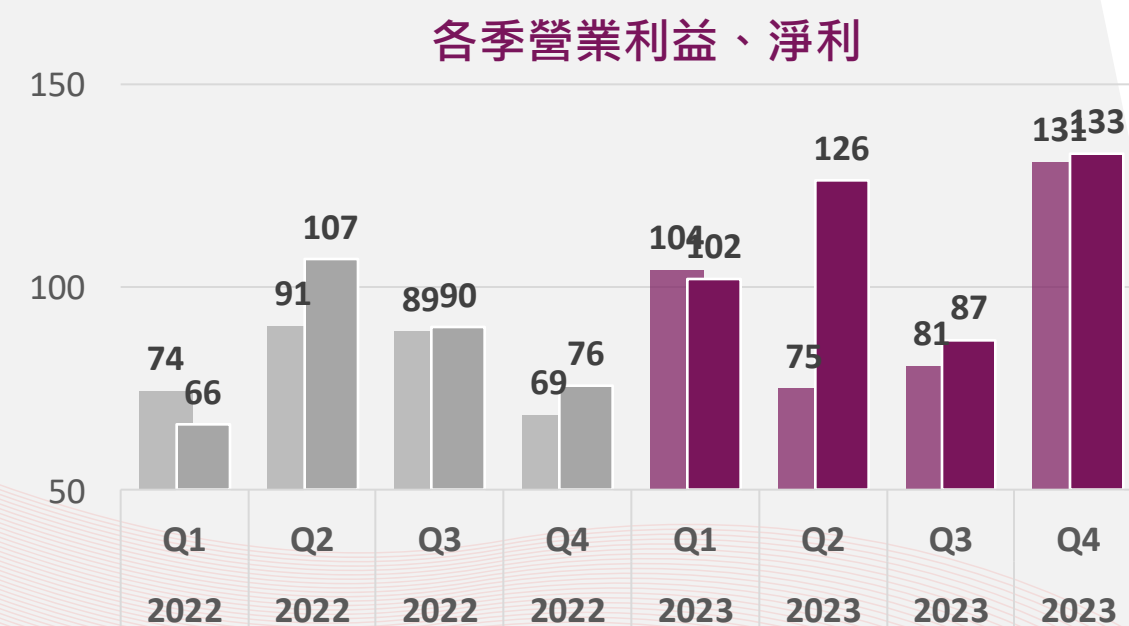


Gross Margin 2023Q4

30.9%

QoQ Increase in Margin

+52.2%



Net Income 2023Q4

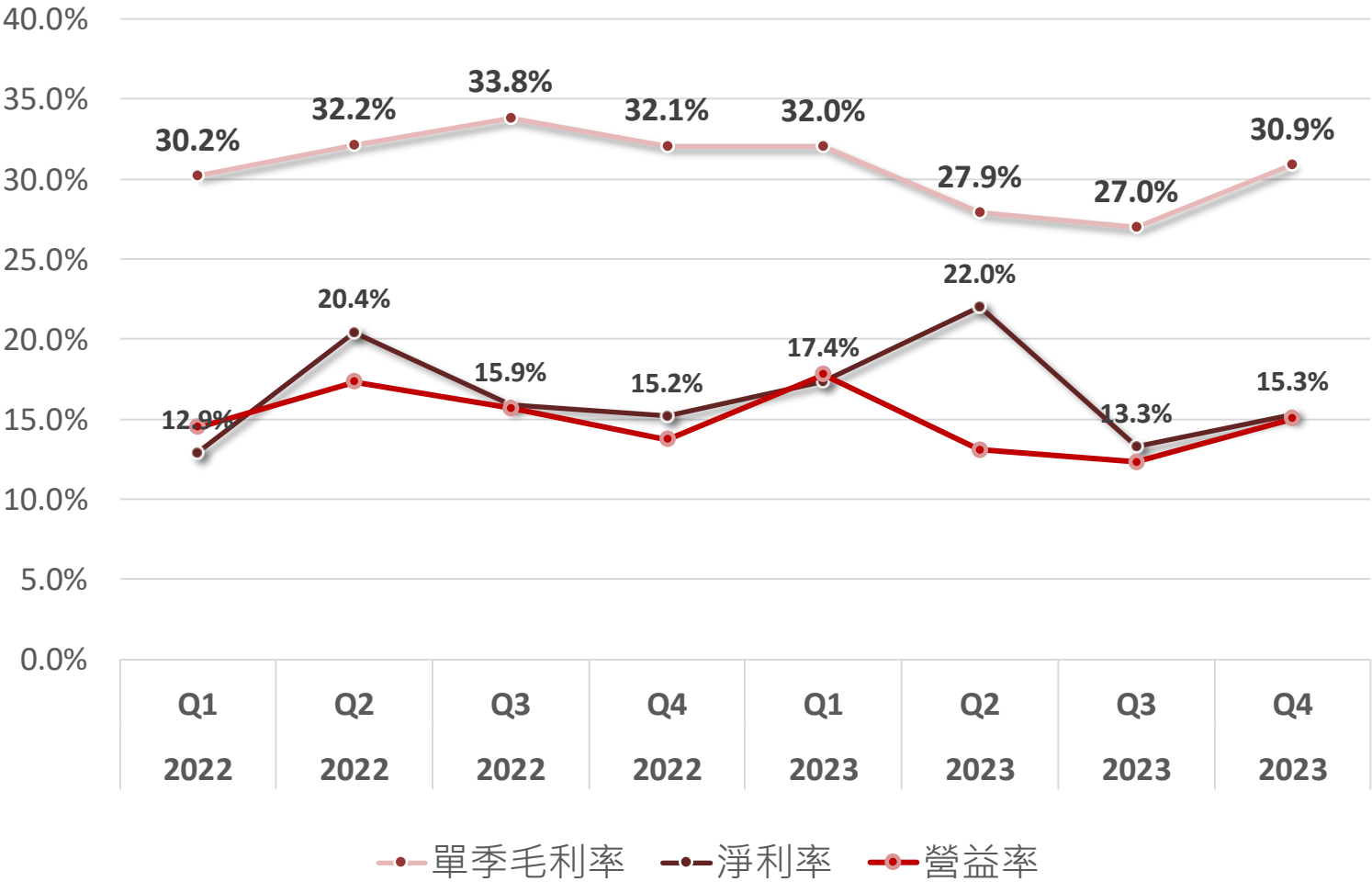
1.32億

QoQ in Net Income

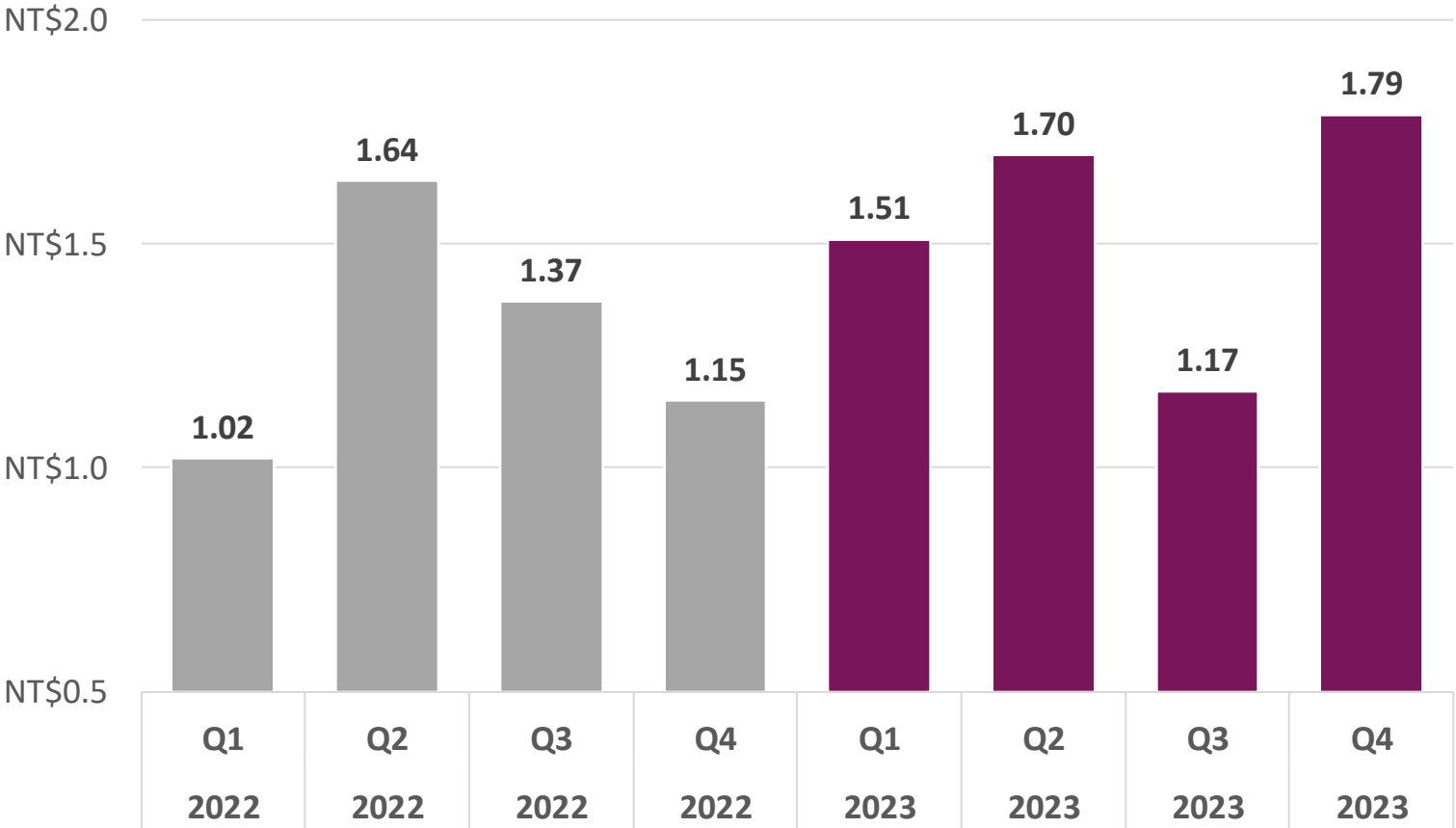
+52.7%

# Operating Results and Profitability

近八季獲利比率



近八季EPS





# Competitive Advantages

# Arizon Growth Strategy



## Expand Operating Territory

- Based on Asia-Pacific region enter new market
- New manufacturing base in Vietnam
- Expand product procurement and increase supply chain capabilities



## Target Sales Growth

- Master global and big-name brands customers
- Keep trends and potential strategic applications
- New application areas and innovative “Blue Ocean” cooperation



## Improve Efficient Manufacturing

- Energy saving, consumption reduction, green manufacturing
- Customized solutions to meet customer demand
- Production equipment adapted to products and diversity



## Sustainable Development

- Promote ESG sustainable development
- Comply with environmentally friendly materials and paper antenna substrate
- Green production, reduce energy consumption and waste

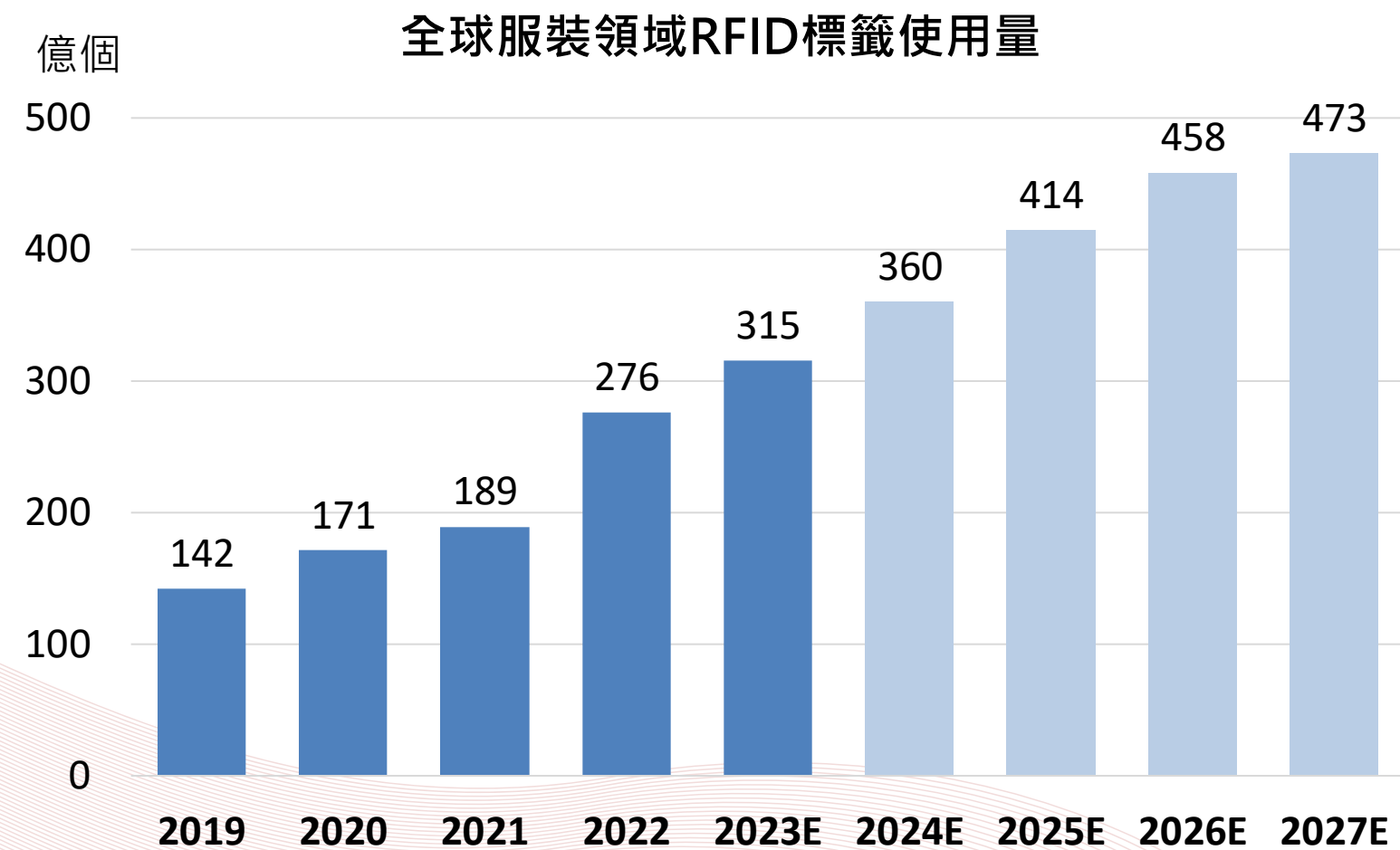




# RFID Industry Long-term Growth Potential

## Apparel Retail Industry Development Trends:

- Uniqlo, Decathlon, Zara, Walmart, and other major footwear and apparel retail giants are successively adopting RFID technology
- The high cost of labor in Europe and the United States led to the gradual introduction of automation from 2010 to 2014. Nowadays, the technology applications have matured
- Rapidly integrate trendy fashion, sportswear, and retail-oriented brands



Source: AIoT星圖研究院





# Global Parcel Logistics Trends

## Global Logistics Industry Development Trends:

- Between 2016 and 2022, global parcel volume increased from 64bn to 161bn pieces
- China, the U.S. and Japan are key players in global logistics
- Over the past seven years, the global parcel volume has increased by 150%, primarily benefiting from the rapid development of e-commerce during the pandemic

## Future Development Trend:

- Between 2023 and 2028, the compound annual growth rate (CAGR) of the global parcel volume is expected to be 6%
- The increase in the parcel volume in China will be mainly driven by the continued development of e-commerce
- Brazil and India are the fastest-growing markets globally in terms of parcel volume



# Parcel Logistics Trends in United States

## After 2020 Parcel Delivery in the U.S. Increased:

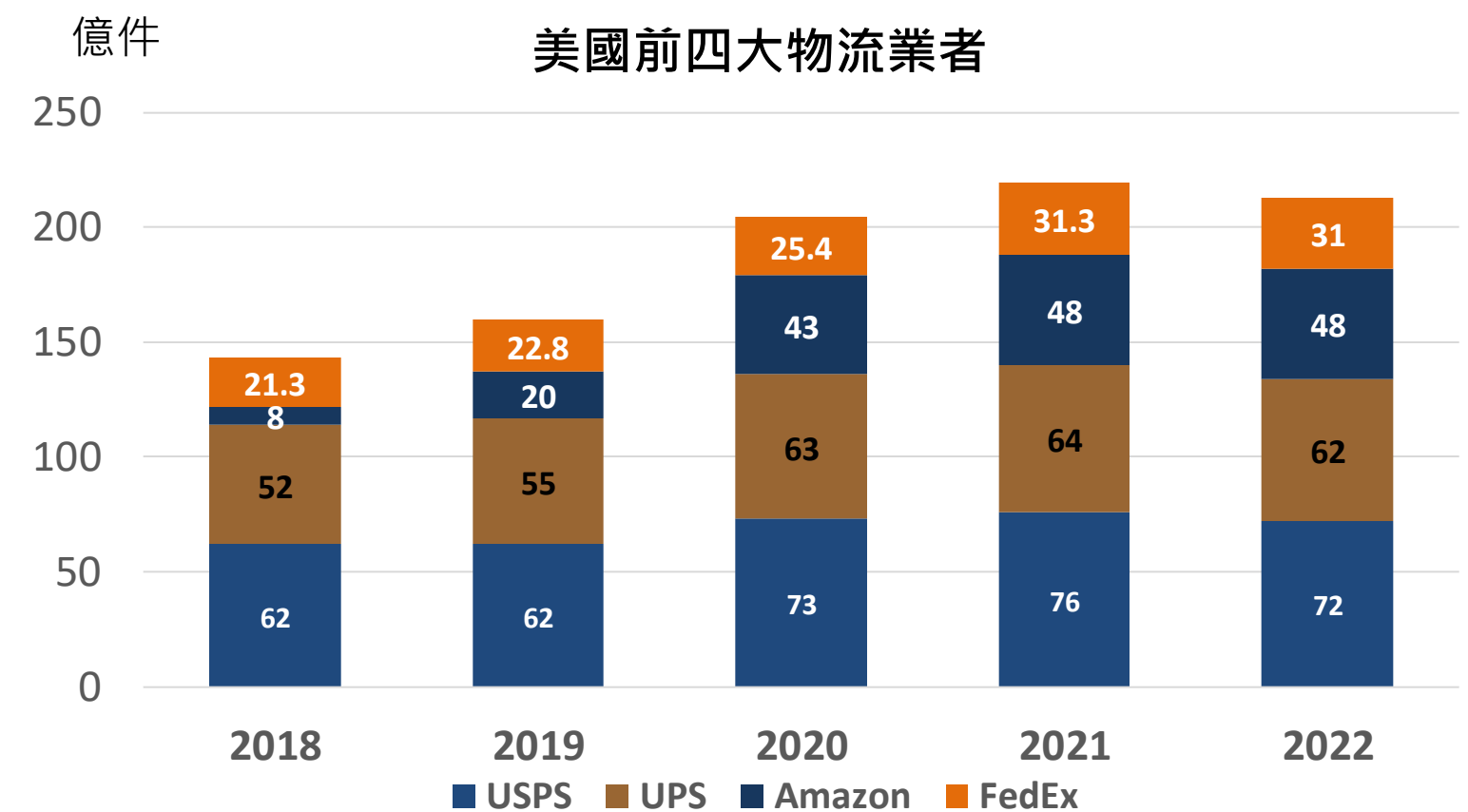
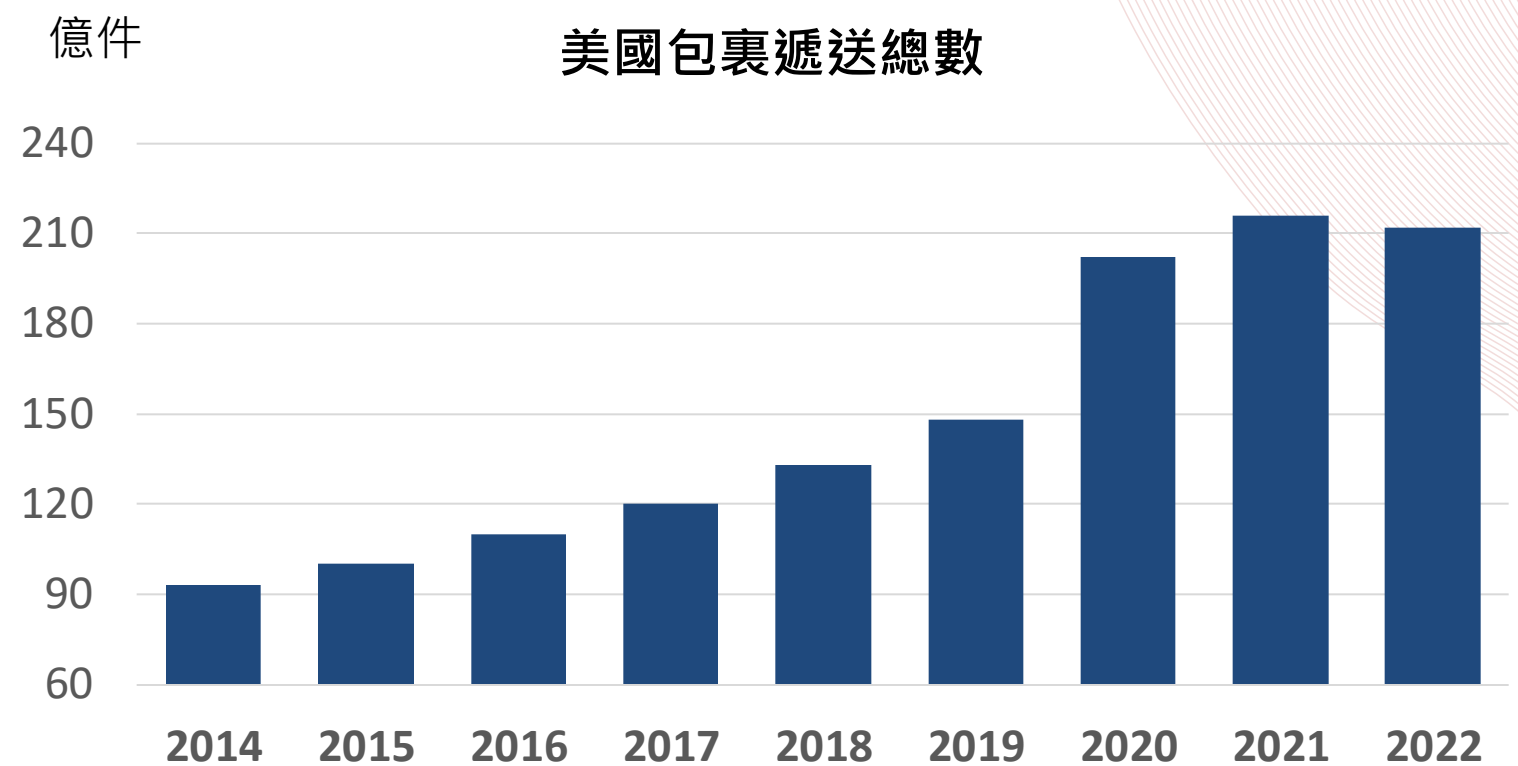
- In 2020, there was an explosive increase of 5.4 billion parcels, growing by 36.5%, surpassing 20 billion parcels per year
- The surge in online shopping demand caused by the pandemic: people were staying at home due to insulation measures, leading to a rapid increase in online shopping for essential items and impulse purchases. The volume of parcels in the United States grown rapidly

## Logistics capabilities significantly expanded:

- Prime Membership Growth: Amazon Prime members enjoy free expedited shipping benefits, attracting more members to shop on Amazon
- Logistics Infrastructure: Continuously expanding the logistics network, establishing more distribution centers and warehouses, enhancing parcel processing capabilities, reaching the processing capacity level
- New product category growth, including items like fresh food that require frequent deliveries, has also led to an increase in the number of packages

## Focuses on Improving Logistics Processing Efficiency:

- Smart Parcel Project: smart package, smart facility. The goal is to attach RFID tags to all packages, eliminating 20 million manual scans daily, improving productivity, reducing costs, and enhancing transparency in the transportation network
- Investment in Smart Infrastructure: In 2023, a \$140 million investment will be made to expand RFID labeling, readers, and tags to a thousand distribution centers across the United States
- Developing different logistics items: focusing on specialized pharmaceutical logistics, a 6.1 million square feet distribution space with healthcare standards, growing faster in the global healthcare sector to enhance profitability



Source: 各物流業者年報資訊、官網資訊



# China Logistics Industry Trends

## Billions of Parcels Management Demands:

- In 2021, the domestic express logistics business volume in China exceeded a hundreds of billions parcels. As the industry entered a stable period, the demand for refined management has been growing steadily
- RFID technology can enhance the operational efficiency and management of the express logistics industry. If RFID technology is widely adopted in the future, it will bring tremendous output value to the market

## SF Explores the Application of RFID Technology:

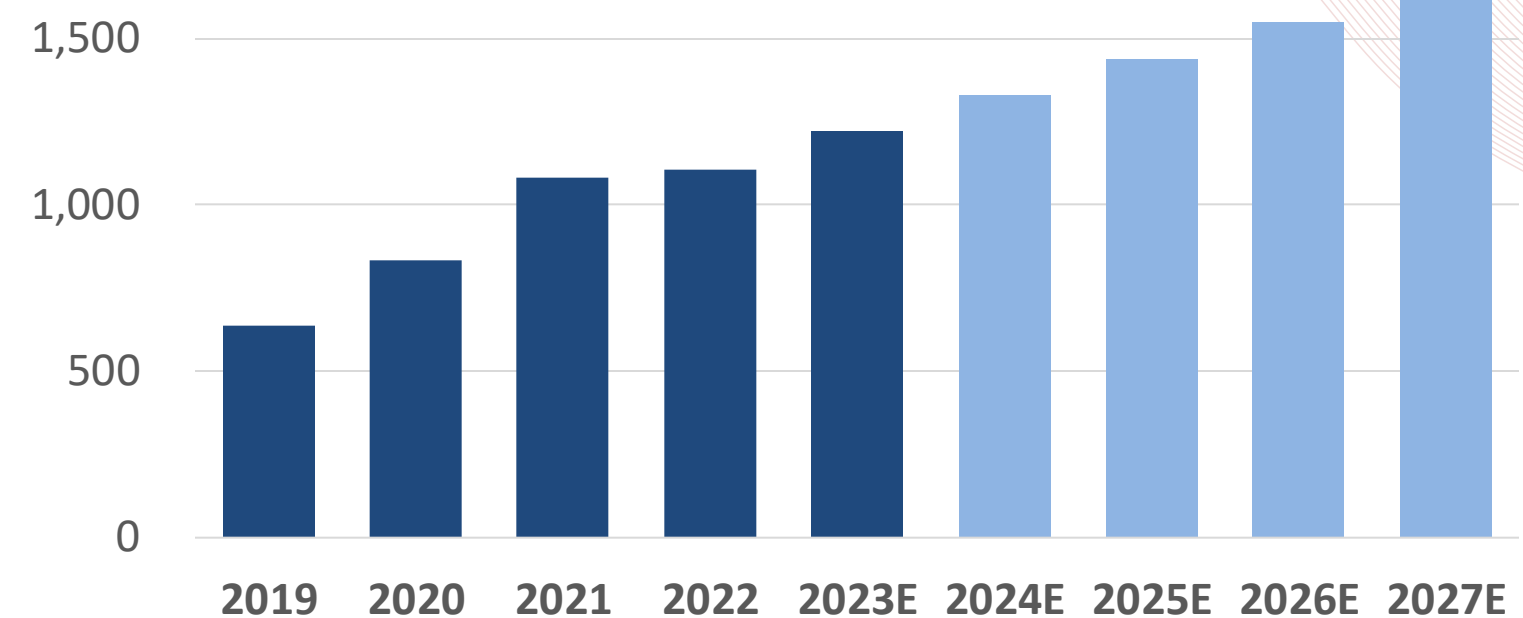
- The volume of express delivery in 2022 will reach 11.4 billion pieces, an increase of 3 billion pieces compared with 2020
- Actively exploring the application of RFID technology in the field of express logistics. SF Express's express delivery profits are high enough to cover the cost of using RFID
- SF Express established a cold chain company in 2018 to use RFID technology to build a fresh food cold chain logistics center to improve the efficiency and safety of fresh food cold chain logistics

## JD Improves Supply Chain Efficiency:

- Key strengths in supply chain business operations, application R&D investment in warehousing field
- Popularizing RFID tag applications in Asia No.1 smart logistics warehouse
- Using RFID technology for internal management of self-operated products in warehouses can enhance operational efficiency and reduce the occurrence of misplaced and incorrect shipments

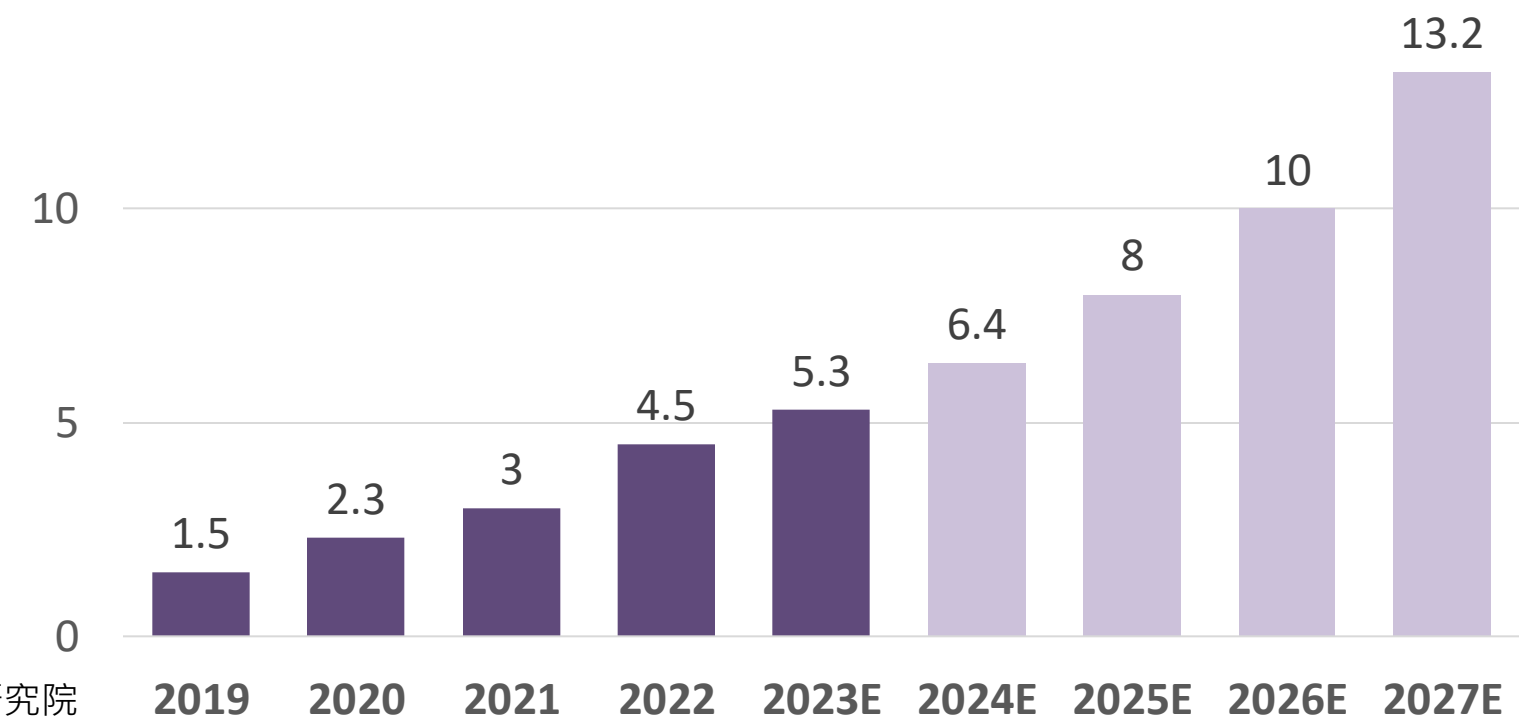
億件

中國包裹遞送總數



億人民幣

中國快遞物流業RFID產值



Source: AIoT星圖研究院





It has begun using RFID tracking chips that could eliminate the need for workers to scan the roughly 20 million packages per day that are loaded into its ubiquitous brown delivery trucks.



In addition, that technology could also reduce the frequency of parcels ending up on the wrong truck and requiring redelivery to 1/1000 from about 1/400, Newman said.



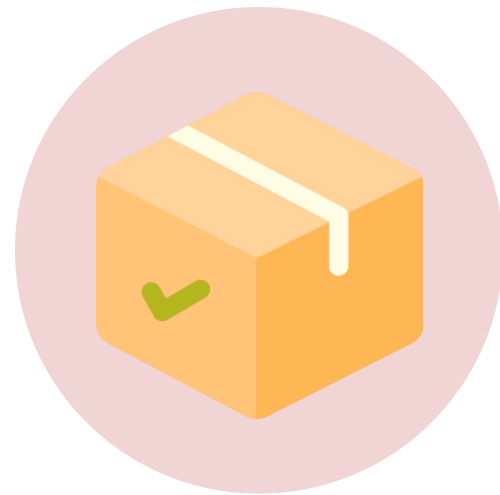


# Logistics Industry Growth Potential and Company Advantages



## Logistics Industry Demand Potential:

- The demand in the industry is substantial, reaching a scale of billions
- The fixed cost investment amount is high, and achieving economies of scale is necessary to increase profits
- The introduction of new technologies is required to enhance management performance



## Logistics Industry Pain Points:

- Parcel misload rate: 0.1-0.5%
- Labor shortage and rising labor costs
- To enhance efficiency and further improve customer satisfaction.

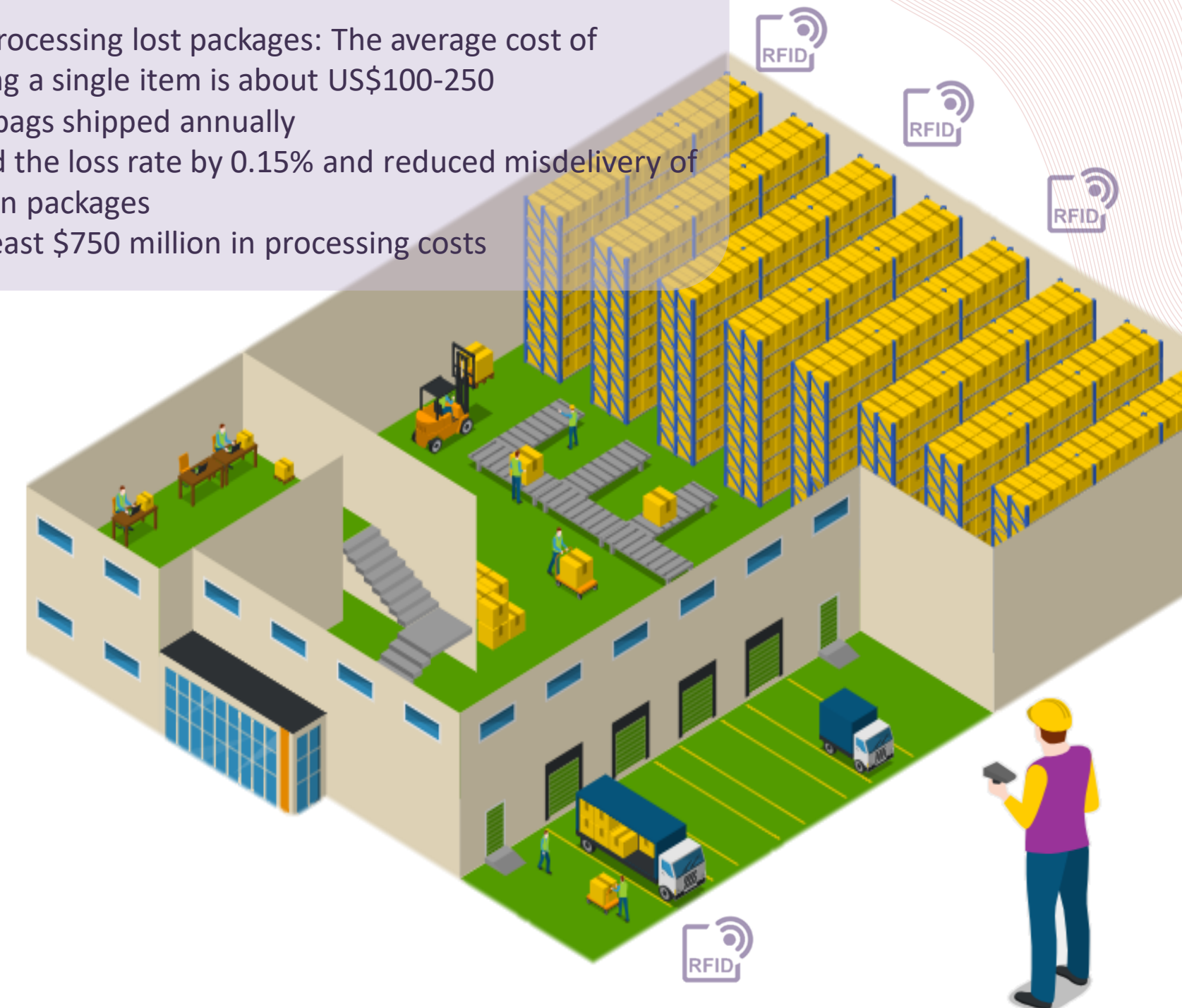


## Arizon's Competitive Advantages:

- Meet customer requirements and provide antenna designs that comply with ARC certification specifications
- Sufficient production capacity to meet future growth plans of customer demand
- First-tier major clients only use the high-quality products

## Improve the loss rate

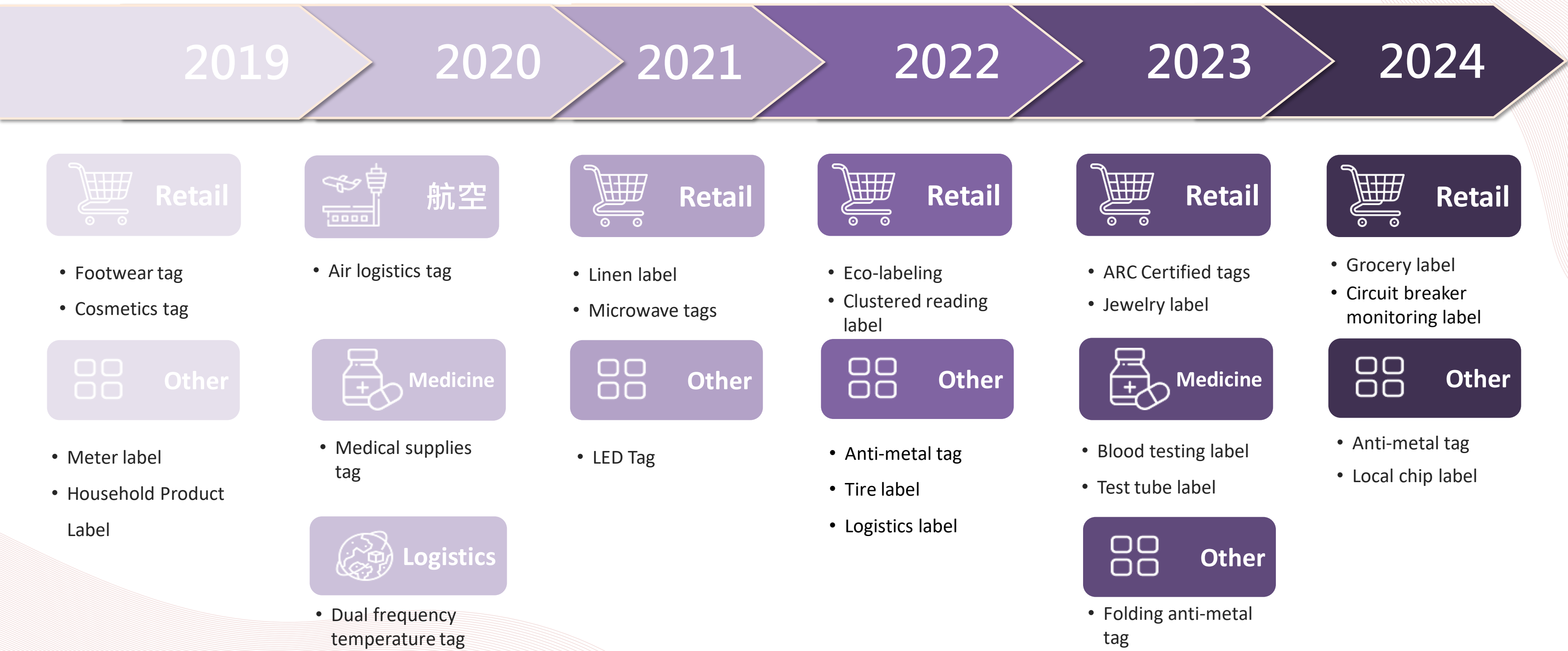
- Cost of processing lost packages: The average cost of processing a single item is about US\$100-250
- 5 billion bags shipped annually
- Improved the loss rate by 0.15% and reduced misdelivery of 7.5 million packages
- Save at least \$750 million in processing costs



# R&D Capacity



# Representative Products Launch Schedule





Thank You