

ARIZON RFID Technology

英屬開曼群島永道射頻技術股份有限公司

2024 Earnings Conference

TWSE Ticker | 6863

2025/03/13

Disclaimer

The forecasting mentioned in the relevant information published in this presentation, including the operating outlook, financial and business conditions, is based on the internal data and the current situation of the overall external economic development of the Company.

The information provided in the presentation may contain forward-looking statements. The actual possible future operating results, financial conditions, and business results may differ from the forecasting information due to various factors, including but not limited to market demand, price fluctuations, competitive trends, changes in various laws, regulations, financial and economic conditions, and other risks beyond the Company's control.

The information provided in the presentation reflects the company's perspective on the future so far, no express or suggestion, or warranty is given to its correctness, completeness, or reliability. In accordance with it, if there are any changes or adjustments in the future, the company shall not be responsible for updating or correcting information.

This presentation and its contents are not allowed to be freely distributed by any third party without written permission of the Company.

The background of the slide is a solid dark blue. In the top-left and bottom-right corners, there are decorative halftone patterns. These patterns consist of concentric, wavy lines of small white dots, creating a textured, organic effect that resembles a fingerprint or a stylized wave. The patterns are more dense in some areas and more sparse in others, giving them a three-dimensional appearance.

Financial Results

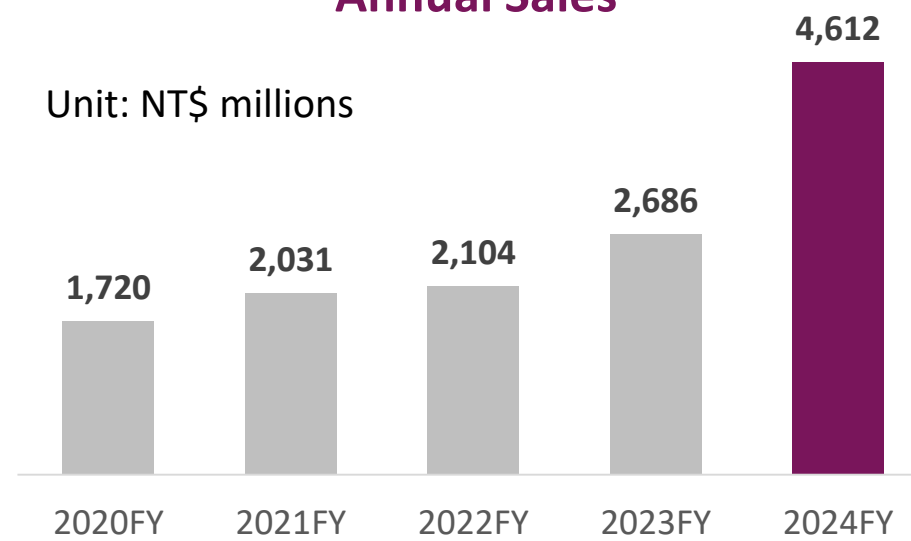
Statements of Comprehensive Income

(In NT\$ millions unless otherwise noted)

	24Q4	24Q3	QoQ	2024	2023	YoY
Net Sales	1,391	1,150	+21.0%	4,612	2,686	+71.7%
Gross Profit	390	367	+6.4%	1,484	793	+87.0%
Gross Margin	28.1%	31.9%	-3.9ppt	32.2%	29.5%	+2.7ppt
Operating Expenses	172	175	-1.6%	630	402	+56.6%
Operating Income	218	192	+13.7%	854	391	+118.4%
Operating Margin	15.7%	16.7%	-1.0ppt	18.5%	14.6%	+4.0ppt
Non-Operating Items	75	21	+266.7%	150	141	+6.5%
Net Income Attributable to Shareholders of the Parent Company	261	171	+52.6%	847	448	+89.0%
Net Profit Margin	18.8%	14.9%	+3.9ppt	18.4%	16.7%	+1.7ppt
Earning Per Share (NT Dollar)	3.49	2.29	+52.4%	11.36	6.17	+84.1%
Shipment of RFID Tags (Billion Pieces)				5.61	3.01	+86.4%

Annual Performance and Growth

Annual Sales



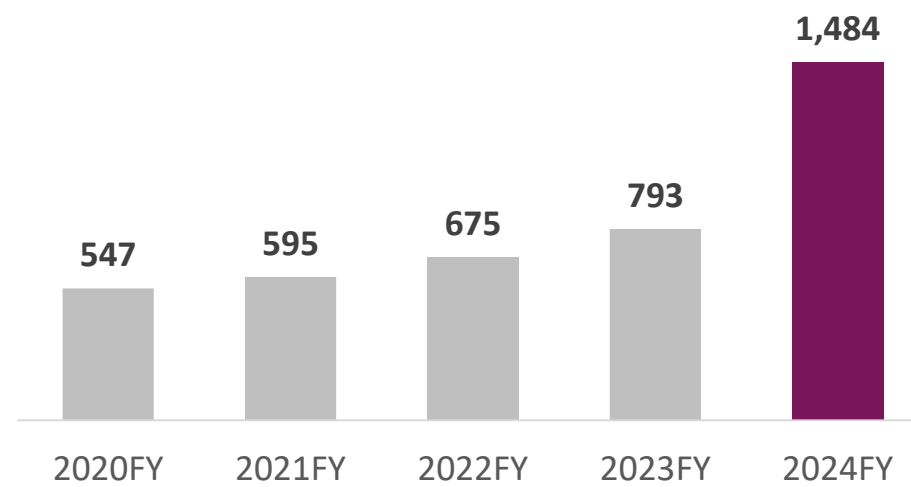
Sales Revenue 2024

4.61B

YoY Increase in Sales

+ 71.7%

Annual Gross Profit



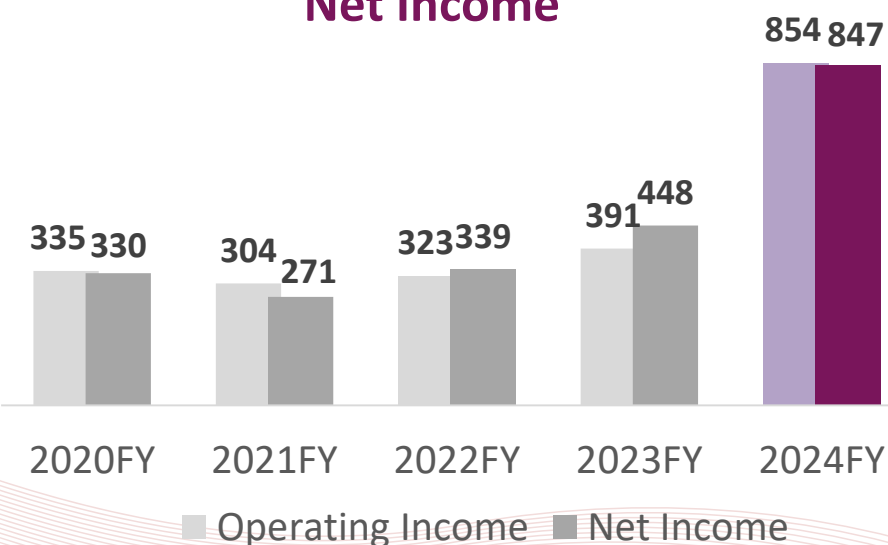
Gross Margin 2024

32.2%

YoY Increase in Margin

+2.7ppt

Annual Operating Income and Net Income



Net Income 2024

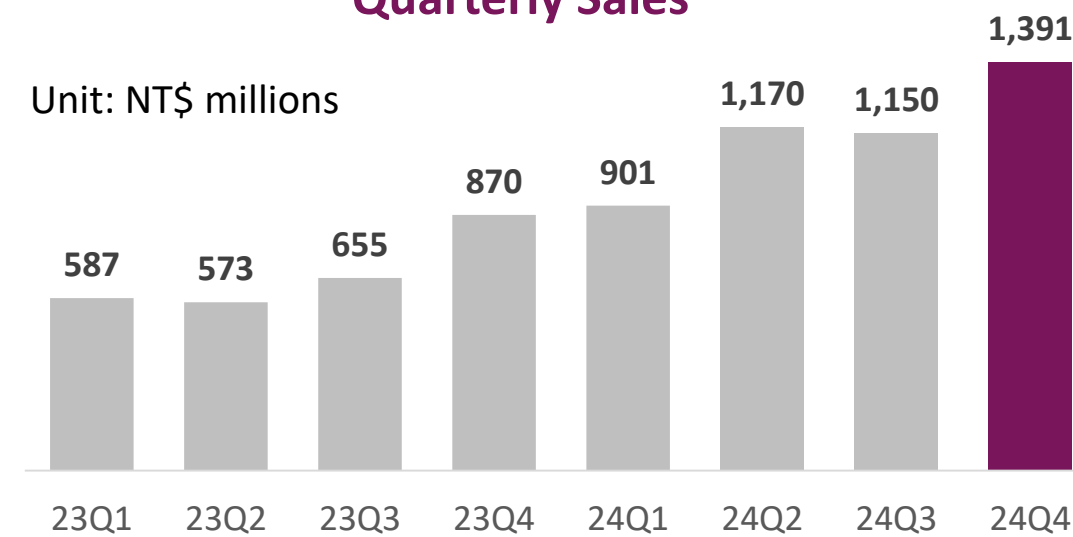
0.85B

YoY Increase in Income

+ 89.0%

Quarterly Performance and Growth

Quarterly Sales



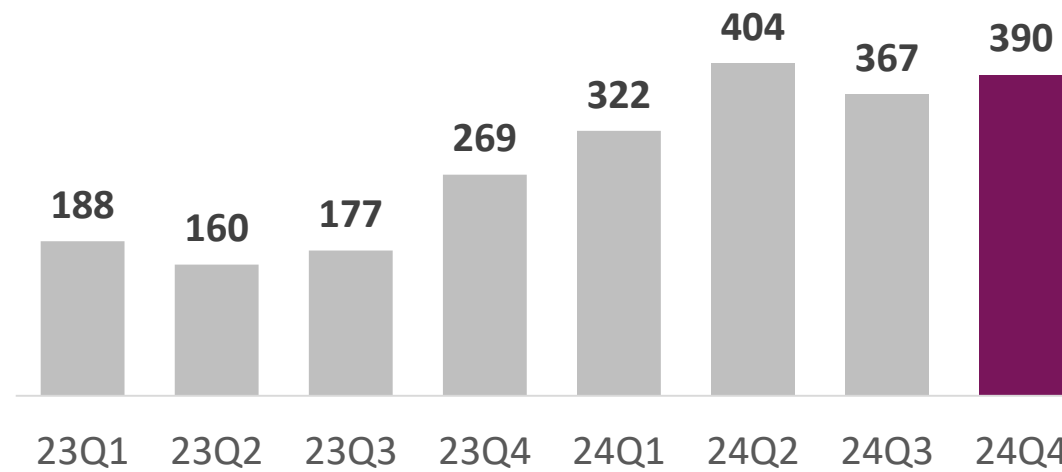
Sales Revenue 2024Q4

1.39B

YoY Increase in Sales

+ 59.9%

Quarterly Gross Profit



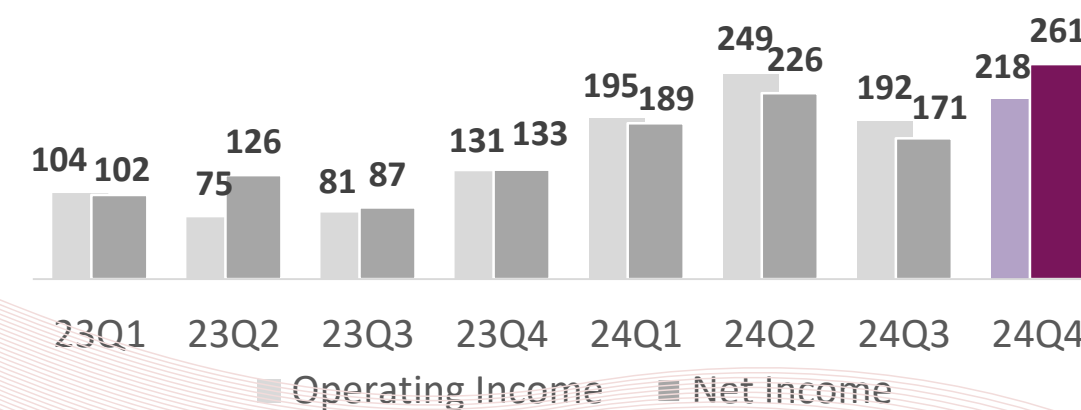
Gross Margin 2024Q4

28.1%

YoY Increase in Margin

-2.8ppt

Quarterly Operating Income and Net Income



Net Income 2024Q4

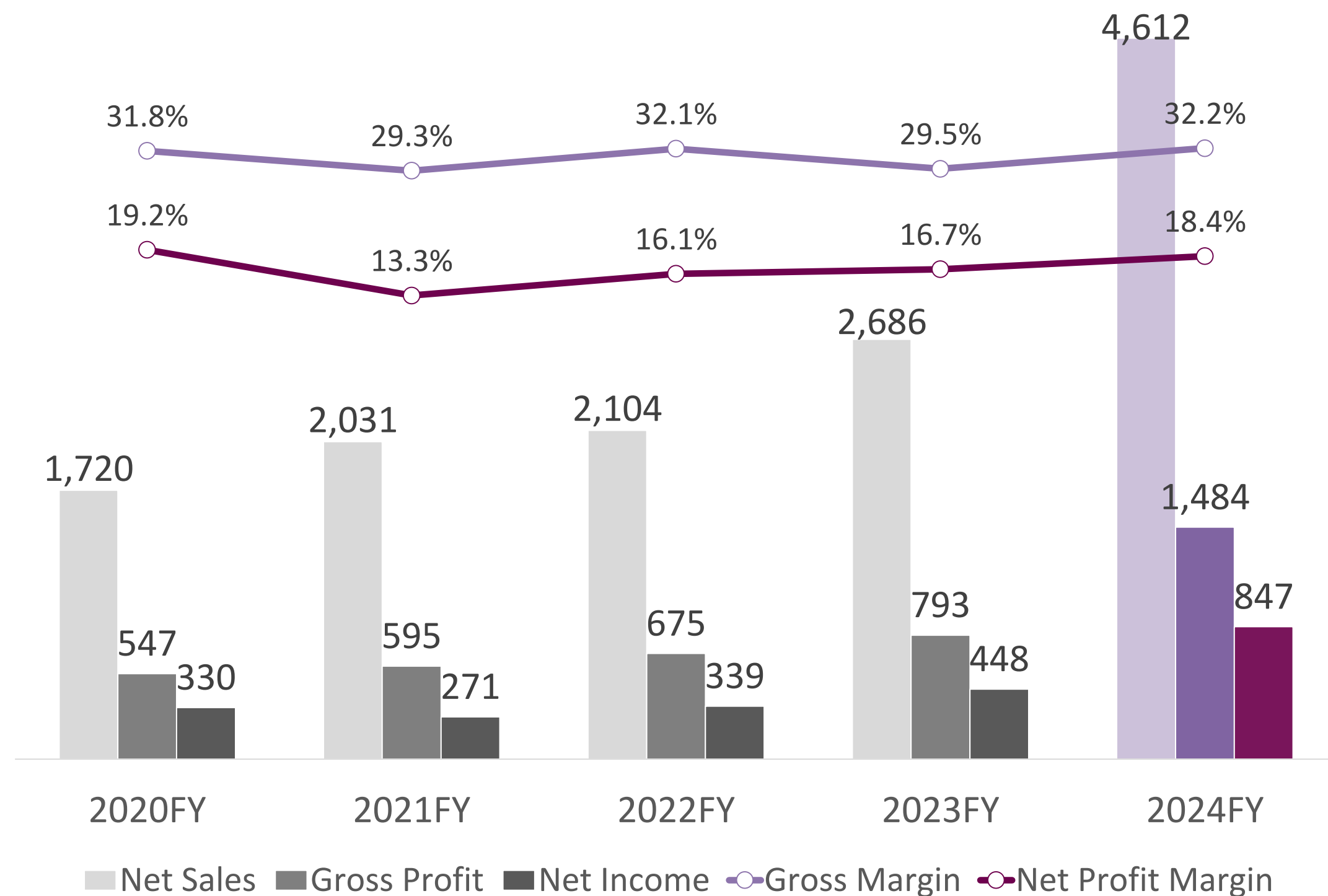
0.26B

YoY Increase in Income

+ 96.5%

Operating results in recent years and profitability

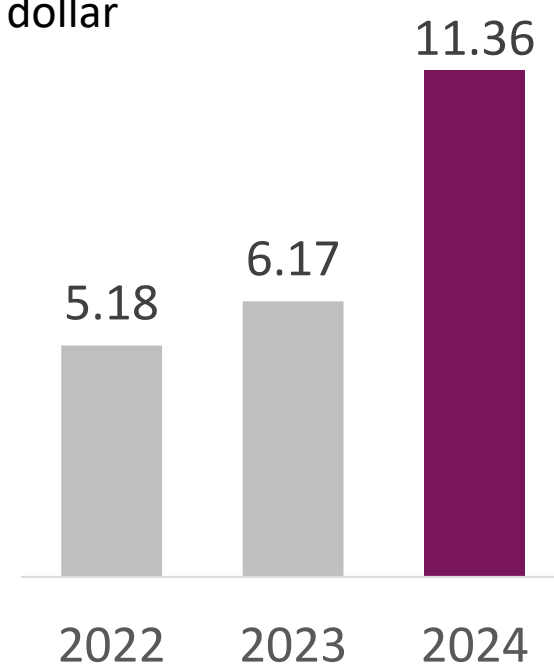
Unit: NT\$ millions



Corporate Value

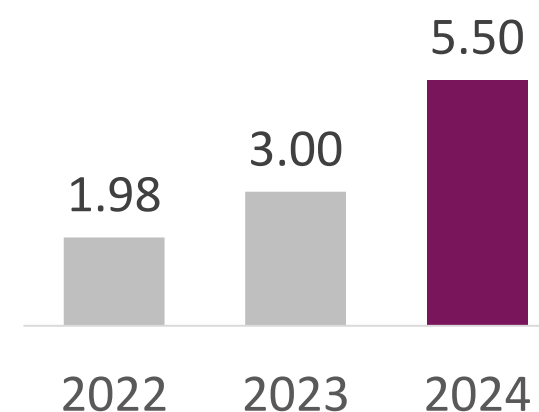
Earning Per Share

Unit: NT\$ dollar

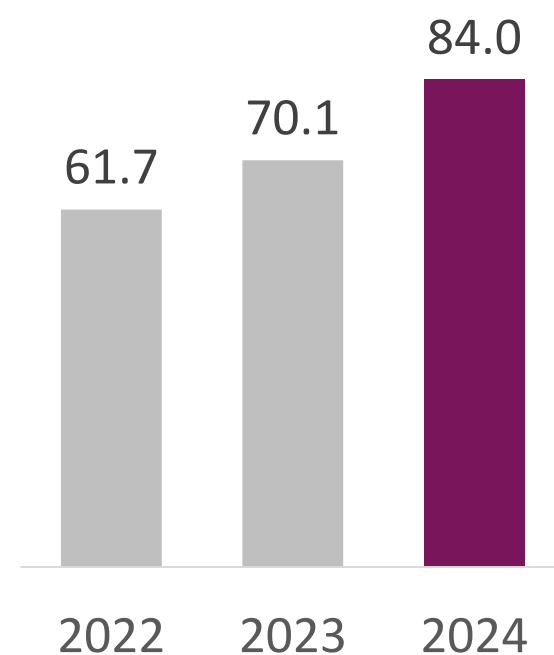


Cash Dividend Per Share

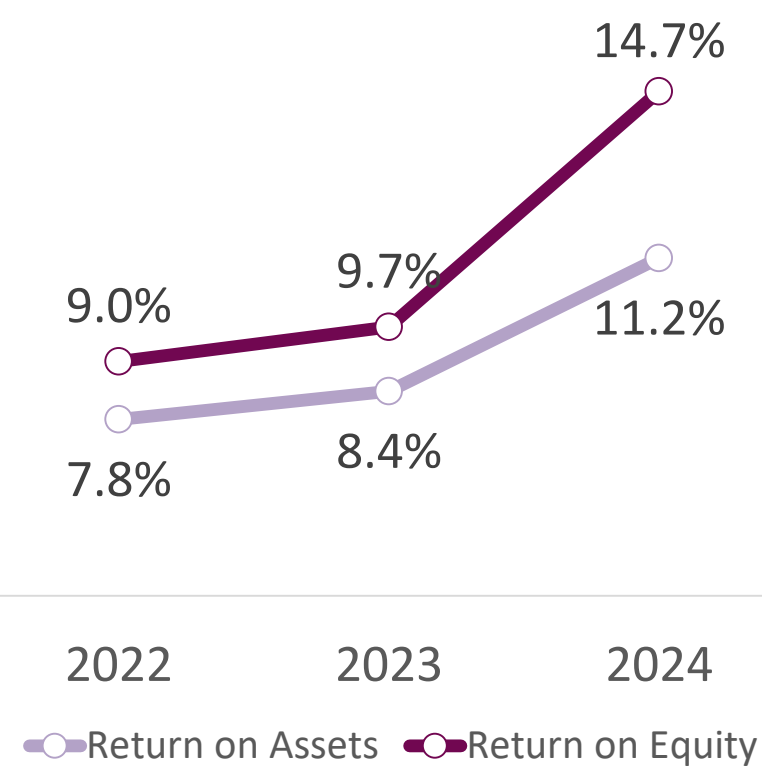
Year of Dividend Attribution



Book Value Per Share



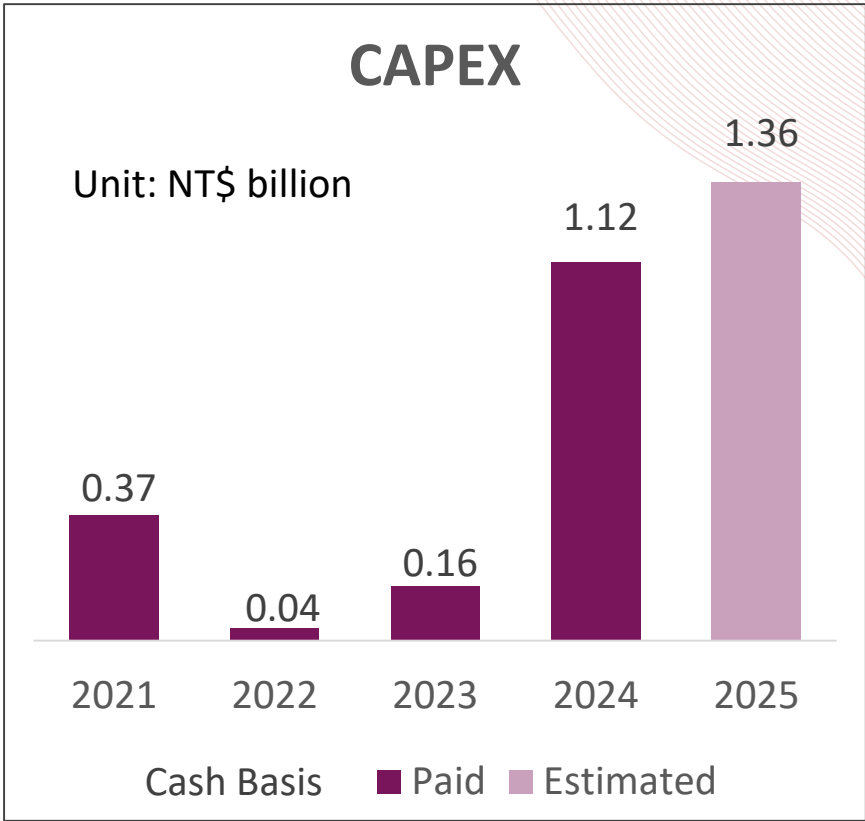
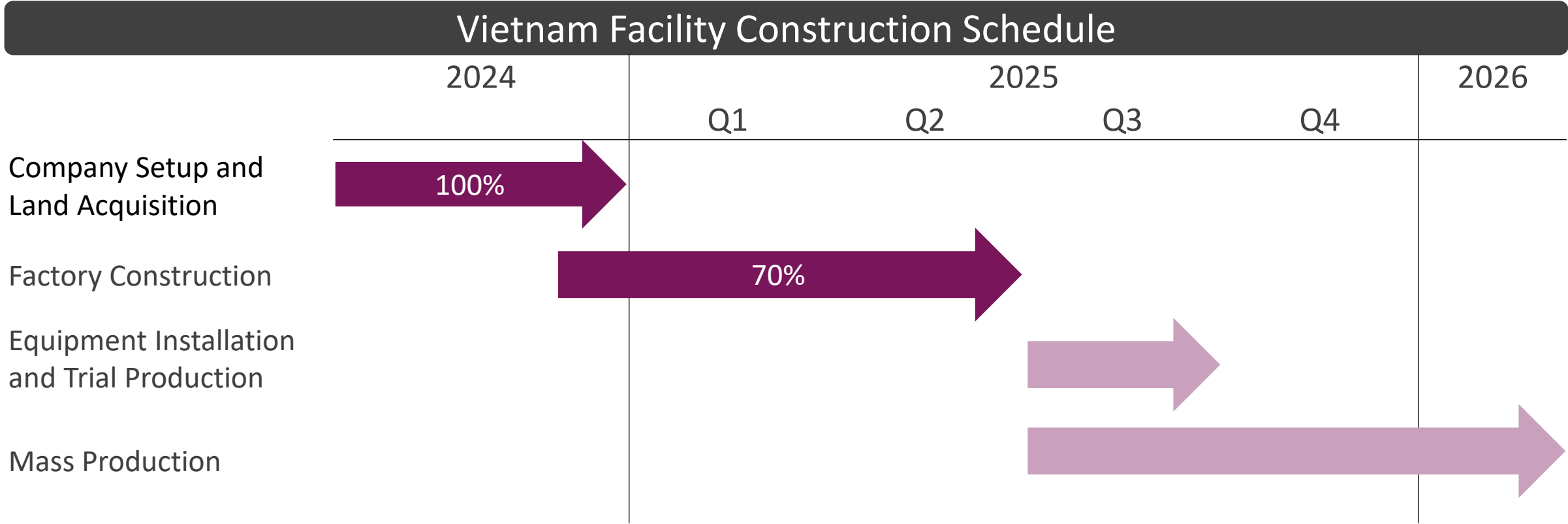
ROE & ROA



The background of the slide is a solid dark blue. In the top-left and bottom-right corners, there are decorative halftone patterns. These patterns consist of concentric, overlapping circles of small white dots, creating a textured, circular effect that fades into the dark blue background.

Business Overview & Outlook

Production Capacity & CAPEX Plan



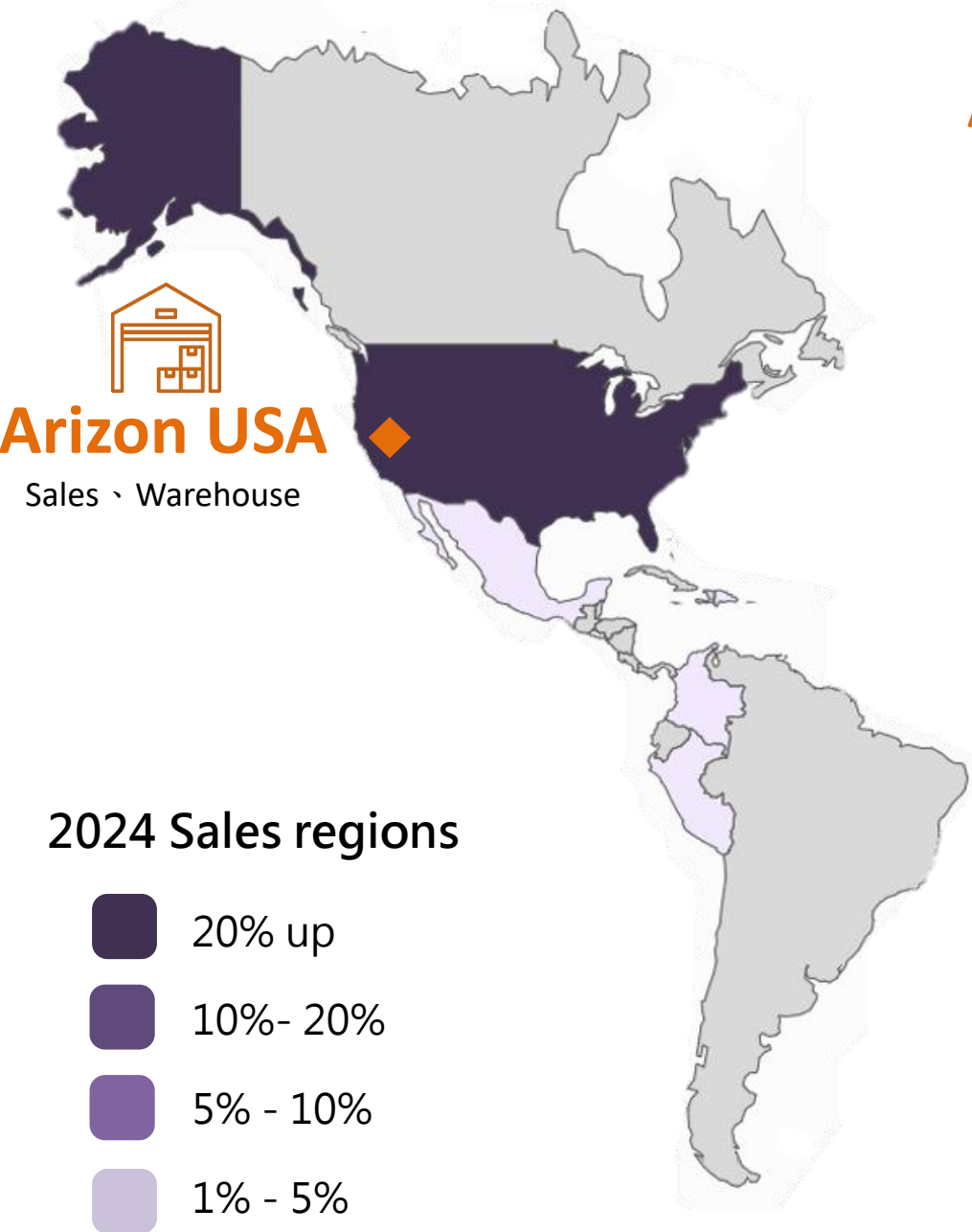
Taken in November 2024



Taken in January 2025



Global Operation



Arizon London
Sales

Arizon Yangzhou
Sales 、 RD 、 Manufacture

Arizon Japan
Sales

Arizon Taipei
Sales 、 RD 、 Manufacture

Arizon Vietnam
Sales 、 RD 、 Manufacture



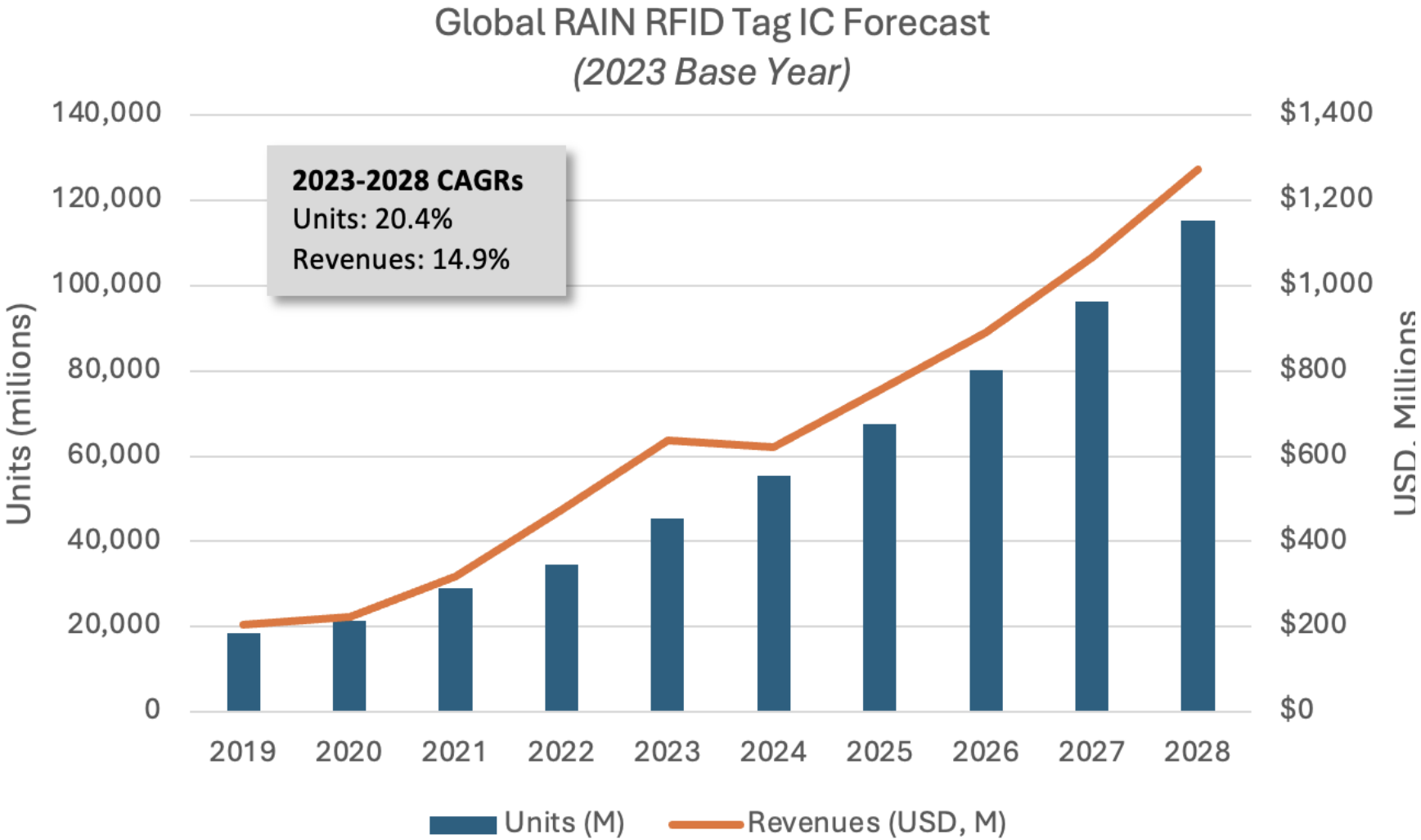
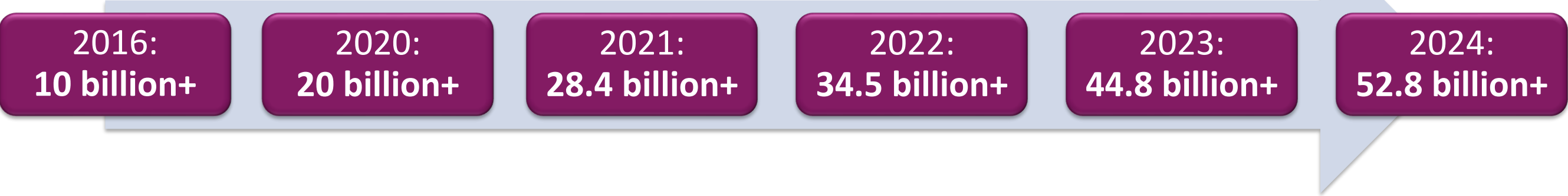
Yangzhou HQ and R&D Center



Taipei HQ and R&D Center

Industry Growth and Outlook

RAIN Alliance Research, number of RAIN Tag ICs Shipped



Source: RAIN Alliance

22%

Tag shipment growth forecast for RAIN tags/labels

>100B

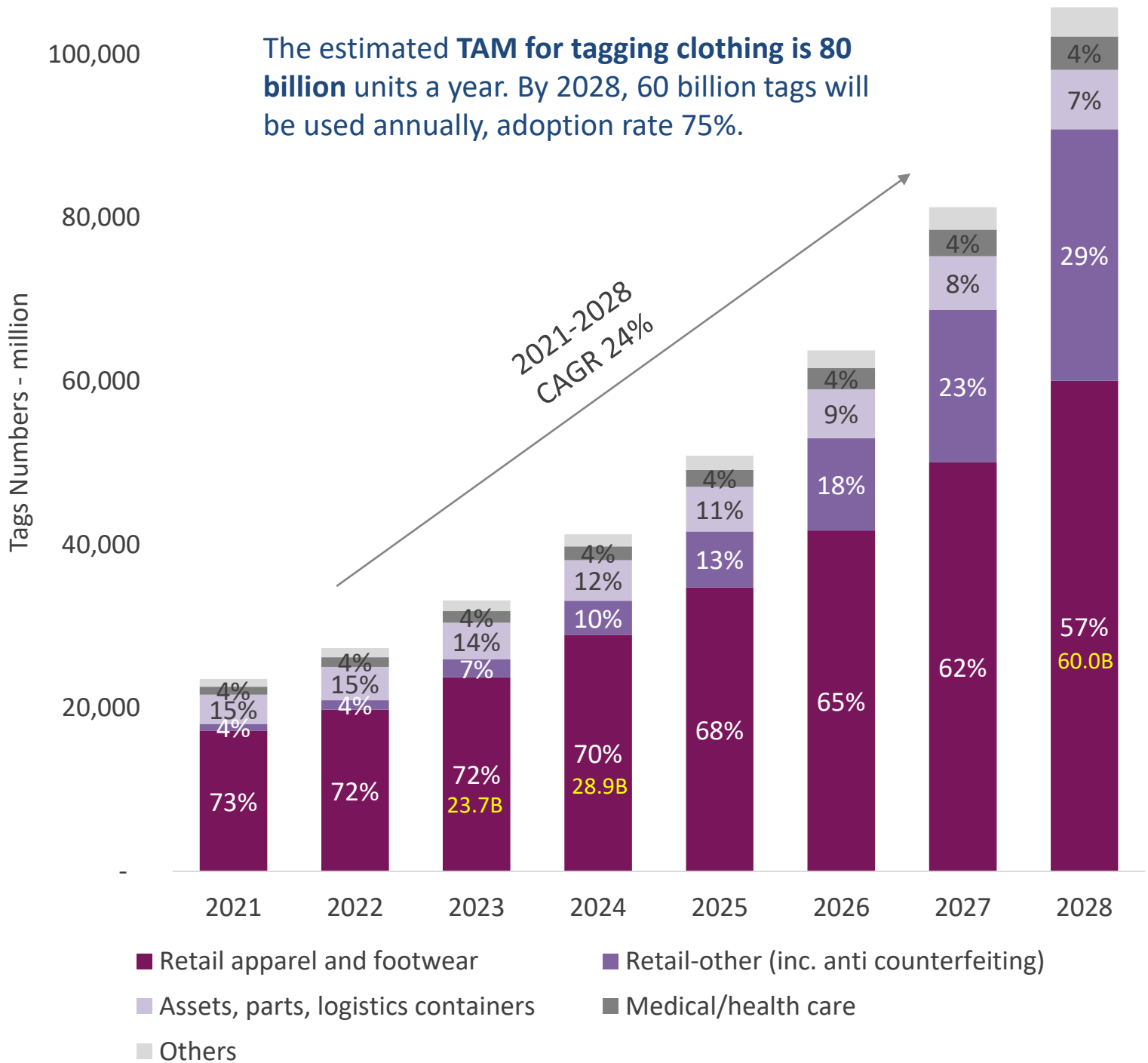
Tag chips shipped in 2028

>\$1B

Revenues

Market by Application

Global Delivery of UHF Passive RFID Tags



Source: IDTechEx, RFID Forecasts, Players and Opportunities 2023-2033

Apparel

Market maturing with steady growth, mid-sized brands (e.g., Chinese, European brands) continuing adoption in 2024-2025

Retail

Expected to be the most significant growth driver in 2025, with multiple new projects in the U.S. market

Logistics

Steady growth driven by the pace of conversion rate improvement

Food

Demand includes supply chain management, cold chain management, smart retail, food safety management, ingredient management, and traceability. Labeling methods and product improvements drive market conversion

Medical and others

- ✓ Test tube labels are rapidly growing in both the Chinese and international markets
- ✓ Demand for animal labels is rising, with high requirements for reading stability and consistency

The Future of RFID: Retail, Integration, and Innovation

Carol Tom, **UPS**'s CEO, stated "RFID tagging, which started as a productivity initiative for us has turned into an inventory management opportunity and benefit for our upstream customers." "We onboarded 15 retailers that love the RFID capabilities because they have increased visibility into what's hitting their docks." UPS generated US\$3.3 billion revenue in Digital Access Program (DAP), 17% increase YoY, representing UPS is moving from scanning network to a sensing network through Smart package, Smart facility, RFID initiative.



Amazon Just Walk Out in Nov 2024 launched new RFID lanes that enable retailers to add RFID-checkout capabilities to any retail space in as little as a day.

Sam's Club's AI Exit technology combines RFID features with computer vision, allowing shoppers to exit the store without needing a receipt check by employees. **Walmart**'s management stated, "With tech-enabled convenience prevalent both inside the club through Scan & Go and Just Go exit towers, as well as via e-commerce, we are deploying digital solutions to differentiate ourselves in the warehouse club channel."

RFID Industry Growth Driver

Qualcomm stated that it is integrating RAIN RFID into its mobile chipsets, enabling interaction with RFID-tagged products. **Impinj**'s Matt Branda noted that adoption is progressing rapidly despite challenges, while **RAIN Alliance**'s Aileen Ryan said initial rollouts will target enterprise devices, with consumer adoption to follow.

Zebra's 16th Annual Global Shopper Study released in October 2023 revealed that a whopping 61% of retailers plan on using RFID by 2026; Zebra's 17th study in November 2024 found 78% of retailers under pressure to reduce theft, with 42% planning to adopt RFID within three years. Also, nearly six in 10 retail decision-makers in Europe plan to use RFID tags and sensors in the next five years.



Source:
(1) UPS 24Q4 earning call
(2) Create frictionless retail experiences with Just Walk Out RFID lanes;
(3) Walmart FY25Q4 earning call
(4) RAIN Alliance news: RFID and Chipset Companies Aim for RAIN-based Handsets
(5) RFID Journal: Retailers Plan to Increase AI, RFID Investments: Zebra Study

Sustainability Actions

2023

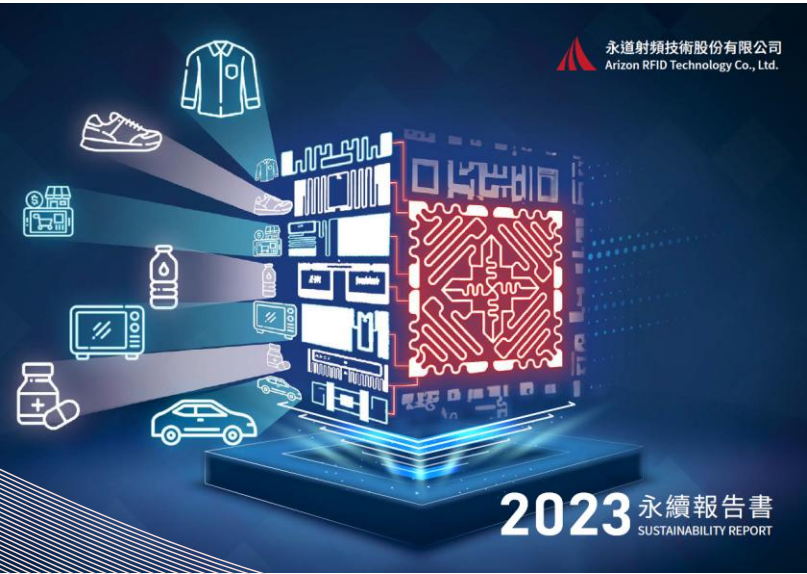
Conducted the first greenhouse gas inventory

Subject	2023 年
Scope 1: Direct Greenhouse Gas Emissions (tonnes CO ₂ e)	160.7374
Scope 2: Indirect Greenhouse Gas Emissions (tonnes CO ₂ e)	3,840.8872
Total Emissions = Scope 1 + Scope 2 (tonnes CO ₂ e)	4,001.6247
Greenhouse Gas Emission Intensity	1.4898

2024 August

Published the first Sustainability Report

Set the foundation for carbon reduction goals with a stricter-than-regulation timeline.



2024 November

Participated in YFY's 100 anniversary celebration, connecting RFID technology with green sustainability practices.

The YFY special edition RFID postcard, embedded with an eco-friendly paper-based RFID tag, enables automatic reading and quantifies participants' Better Choice contributions to the environment, showcasing the convenience and sustainability of RFID technology.



2024 December to 2025(est.)

Committed to following the Science Based Targets initiative (SBTi) 1.5°C pathway to set reduction targets for Scope 1, Scope 2, and Scope 3 emissions.





Thank You