

Avision

Stock Code:2380



2022 Investor Conference 2022.12.16

Disclaimer

- ◆ This briefing and the simultaneous release of relevant information are based on prospect information obtained both internally and externally from the company including operating prospects, financial status and business forecasts.
- ◆ The actual operational, financial and business prospects in the future may be different. This may be due to various factors including but not limited to market demand, price volatility, competitive landscape, international economic conditions, supply chains, exchange rate fluctuations and other risk factors beyond our control.
- ◆ The prospect for the future in this briefing reflects the view of the future. If there is any change or adjustment, Avison is not responsible for reminding or updating at any time.

COMPANY PROFILE

- Foundation April, 1991
- Capital NT\$1,894 Million(US\$67.5M)
- Number of employees Taiwan / 380
China/ 700
- IPO December, 1998
- ISO-9001 September, 1993 certificated
- ISO-14001 January, 2000 certificated
- ISO-13485 November, 2012 certificated



Avison Inc. (headquarter)

Taiwan

Avison
Brazil Ltd.
(ABL)

Brazil

Avison-
Labs Inc.
(AVL)

U.S.

Avison
Europe GmbH
(AEG)

Germany

Avison
(SUZHO)
(AVS F1)

China

Avison
(SUZHO)
(AVS F2)

Avison

Avision(SUZHO) PROFILE

- Established December 1999
- Capital USD4,100M
- Employee 700
- Location
 - Fab I: No.9, Suhong West Road, Suzhou Industrial Park, Jiangsu Province
 - Fab II: No.9, Yangtai Road, Suzhou Industrial Park, Jiangsu Province
 - Fab III: YICHUN AVISION Co., Ltd



**Avision Suzhou is a high tech. firm located in
Suzhou Industrial Park**

R&D Organizational Chart

R&D Group 1

Firmware

O. Mechanical

Software

Hardware

Network System
Develop.

System Develop

ASIC Develop.

Test Team

R&D Group 2

EP Develop.

Mechanical 1

Mechanical 2

Firmware

Software

Hardware

Patents Worldwide

1206

patents



721

innovation
patents

Internationally Recognized Expertise

Avision has obtained 1,206 patents and 721 innovation patents, and has 184 patents on pending list.

Products and Market

Avision Scanner Roadmap

Speed (PPM)

- High Value Scanner**
For SI / Tender
- Consumer Product**
For retail channel / Private label

AD 260U / 280U (CCD)

BW: 70/80ppm
Color: 60/80ppm
LED light
Reverse roller
Powerful new ASIC/USB 3.0
Large LCM
paper wideness up to 242mm



AD 230U / 240U (CIS/CCD)

200 dpi: 40/60ppm
300 dpi: 30/40ppm
LED light
Friction roller
Paper wideness up to 242mm



AD215 (CIS)

Color: 20ppm/40ipm
(Front Feed, ID Card Scan)
Built in WIFI (AD215W)
Built in Ultrasonic (AD215U)



FB1200+ (CIS)

B&W : 4 second (A4 300dpi)
Color: 4 seconds (A4 300dpi)
Instant On / 1200dpi



FB10 (CIS)

BW: 7 seconds (A4 300dpi)
Color: 7 seconds (A4 300dpi)
1200dpi / P



MiWand2 Lite (CIS)

Scan to SD
2 X AA battery



MiWand2 WI-FI PRO (CIS)

Scan to SD
Lithium-ion battery
WiFi



AV176U (CIS)

BW: 30ppm/60ipm
Color: 30ppm/60ipm
Ultrasonic
(ID Card Scan)



AN230

Color: 30ppm/60ipm (300dpi)
(Scan to App, USB, Email, Print)



AD130

BW: 30ppm/60ipm (300dpi)
Color: 30ppm/60ipm (300dpi)



AD120S

BW: 20ppm/(300dpi)
Color: 20ppm/(300dpi)
LED Light



AV5400/5100 (CIS)

BW: 50ppm/30ppm
Color: 30ppm/30ppm
Duplex/Simplex
Ultrasonic

AD8120 (CCD)

BW: 120ppm/240ipm
Color: 120ppm/240ipm
LED (light Bar)
A3 Size, Ultrasonic



AN240W

Color: 40ppm/80ipm (300dpi)
Embedded Touch Screen
(Scan to USB, Email, Print)



MSRP

\$100

\$400

\$600

\$1000

\$3000

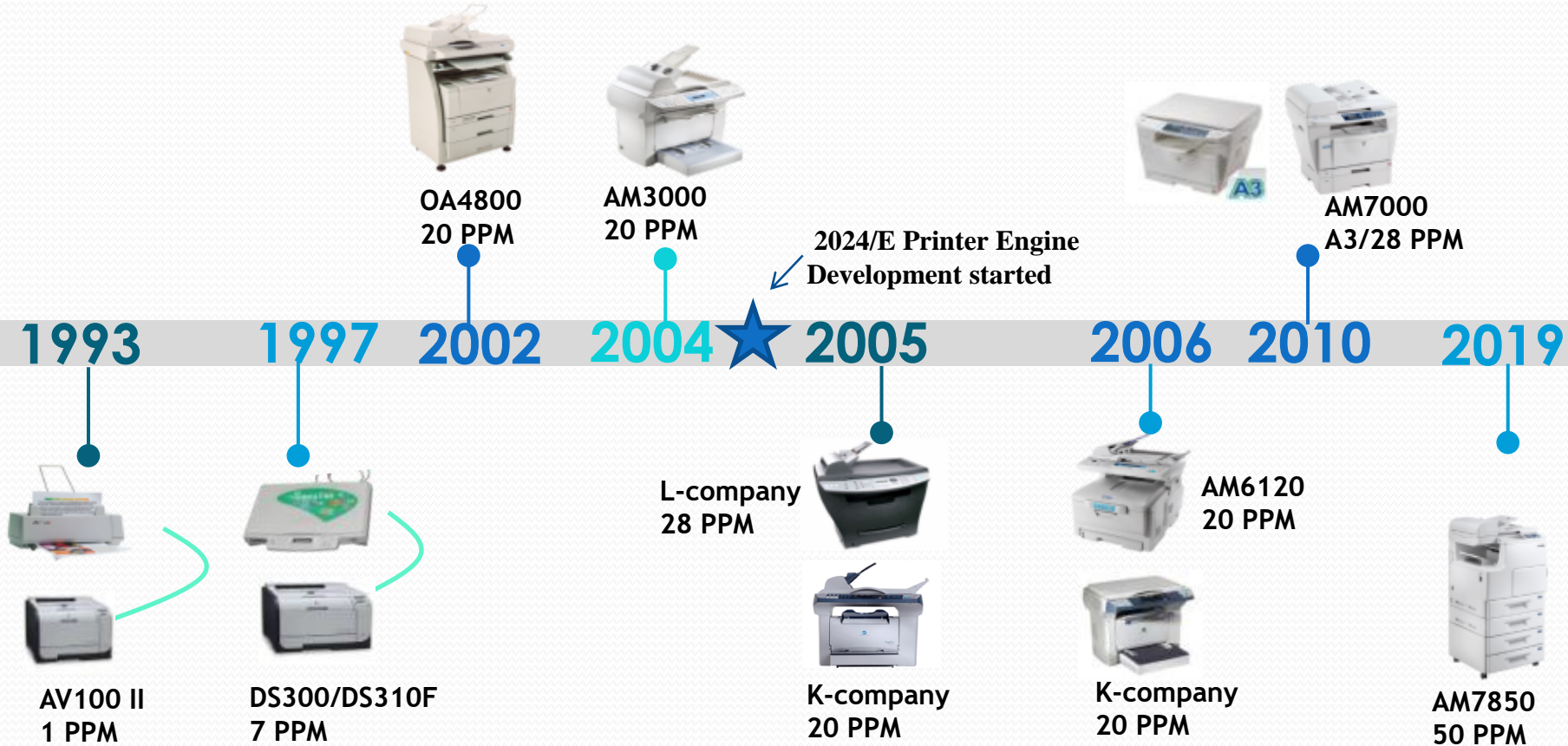
\$12,000

MFP & Printer Development

Development history of copier/printer

- An electronic image was first created in 1938 by an American – Chester Carlson .
- The first business copier (Model A) was introduced by Xerox in 1949
- The first laser printer was developed in 1969 by a Xerox engineer.
- The first desktop laser printer was introduced by Canon in 1979.
- HP introduced 2687A/2688A desktop laser printer with Ricoh engine in 1983 (selling price USD12,800/USD29,950)
- Samsung released laser MFP in 1990
- Samsung printer division was sold to HP for USD1 billion in 2017

Avision SFP/MFP OEM History



The Core Technology of Avision Printer

- **Printer Core Chip developed by Avision**

VM1

Completed: 2006-04



VM2

Completed :2013-06



VM3(NP115)

Completed :2018-02



VM4

2022-04

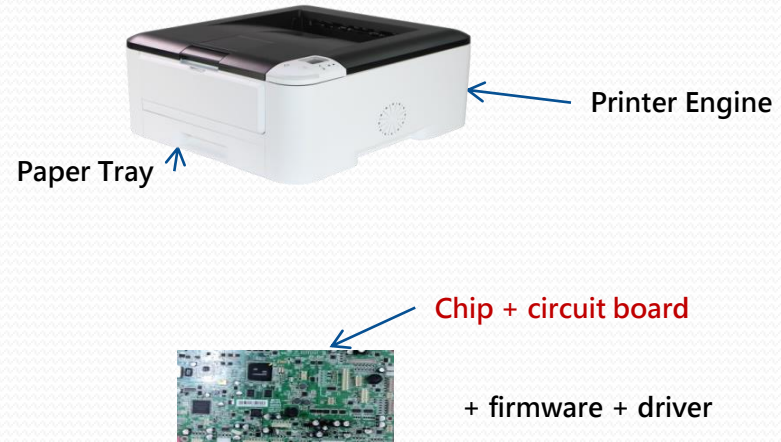


- **ChipVM3(NP115) Characteristic**

- 1. Highly integrated system chip: specially designed for black and white, color printer, and high speed document scanner
 2. High-performance computing, low power consumption, comply with TEC energy efficiency specifications and Energy Star specifications
 3. Encryption and decryption function: equipped with chip encryption and decryption encoding engine, with ultra-high-speed encryption and decryption function
 4. Avision owns the IP of image control, printing control, and image processing

Printer Structure

- **Printer Engine** : Image developing, Image forming, Fuser, Paper Movement and other mechanical components
- **Control System** : A SoC chip to control the circuits, firmware and driver



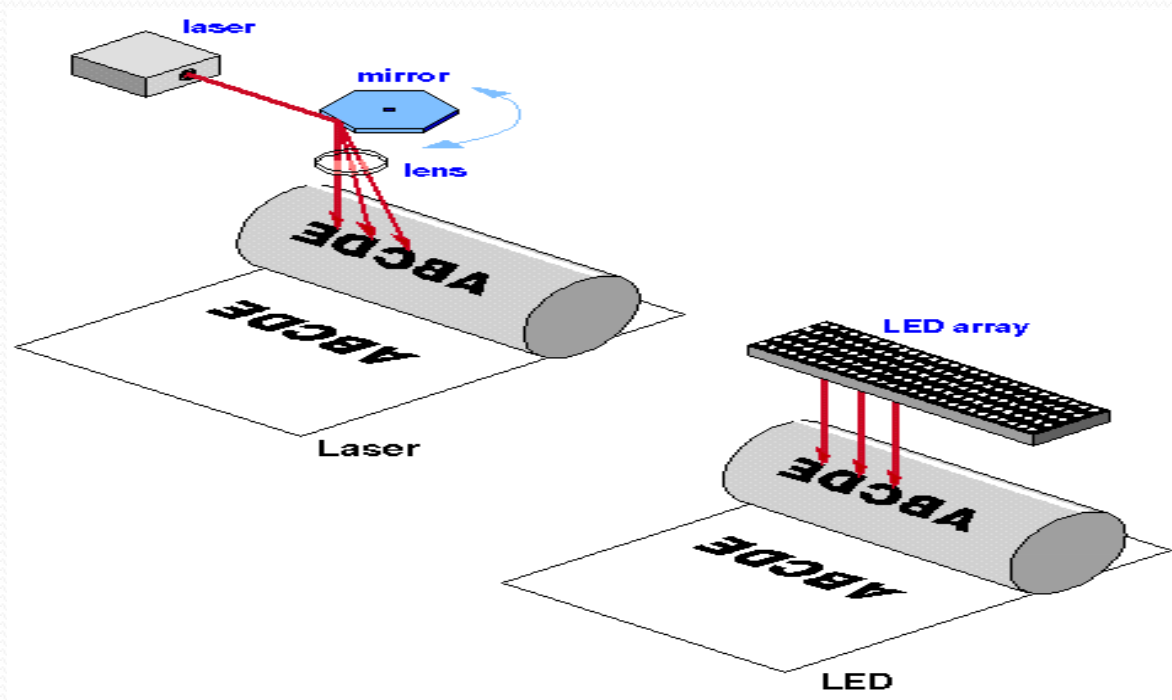
Avision Printer Core technology -2

- LED (Light Emitting Diode) Printer Head(LP

- Key Parts of Color Printer
- Small size, does not occupy machine space
- High-quality printing and imaging
- LPH is more efficient and consumes less power than traditional LSU
- No motor and polygon mirror moving parts, no noise
- At present, only FujiXerox and OKI are produced and manufactured by Japanese manufacturers, most of which are used for internal production of printers, and a few are sold externally
- The third company with LPH design and manufacturing capabilities
- Core Advantages
 - own patent and manufacturing technology
 - One-stop intellectual property rights: LED chip design -> LPH module architecture design -> GaAs wafer subcontract production -> finished module production
 - The core units of printers such as photosensitive drums, fusers, etc. can be self-made in Taiwan and mainland China, but LPH and LSU print heads need to be imported
 - The only printer manufacturer that can develop independently without worrying about foreign out-of-stock.



LPH vs LSU



Can Avison printers gain a foothold in the market?

- What are Avison's competitiveness when facing the renowned printer makers such as Canon, Ricoh, KMBT, Xerox, HP, and Brother?
 - Avison's self-developed printer control chip can not only improve product differentiation, such as intelligent copy, but also provide customized services for enterprises
- Does Avison Printer have the support of Home Market?
 - The promotion of domestic printer in China
- Can Avison printers avoid low-price competition of copycat consumables?
 - Use cloud service and software to develop a business model for service charges
 - Develop new toner to create the difficulty of copycat

The Market Scale of Domestic Printer in China

- In 2020, the sales volume of A4 mono printers in China will be 8.8 million units. According to market experience, 1/4 of them could be purchased by the Communist party, government, military and state-owned enterprises. This means the market size of A4 mono printers is more than 2 million units per year, of which the most popular one in office is the black and white, automatic duplex printer with printing speed of 30 pages per minute.
- In 2020, the domestic sales of A3 mono copiers in China will be 850,000 units. Similarly, the domestic copier market will need more than 200,000 units per year. At present, the most popular copier is the one with 25~40 CPM. As the economy grows, the printer with 45~60 CPM will be increased as expected.

Avision Competitors in China

- China Makers :
 - Ninestar, the company started by manufacturing and selling printer compatible consumables. In 2016, it raised US\$4 billion to acquire the Lexmark Printer Company of the United States. However, the company only has the ability to develop A4 printers and all-in-ones, and does not have the ability to develop control chips.
- International Makers :
 - They are the Japanese, American makers, or domestic makers who cooperate with international makers. In order to achieve information security, they added a domestic CPU control board to the original control board. However, the information security cannot be achieved because the foreign copier makers provide only the protocol and not the original codes to communicate with the CPU.

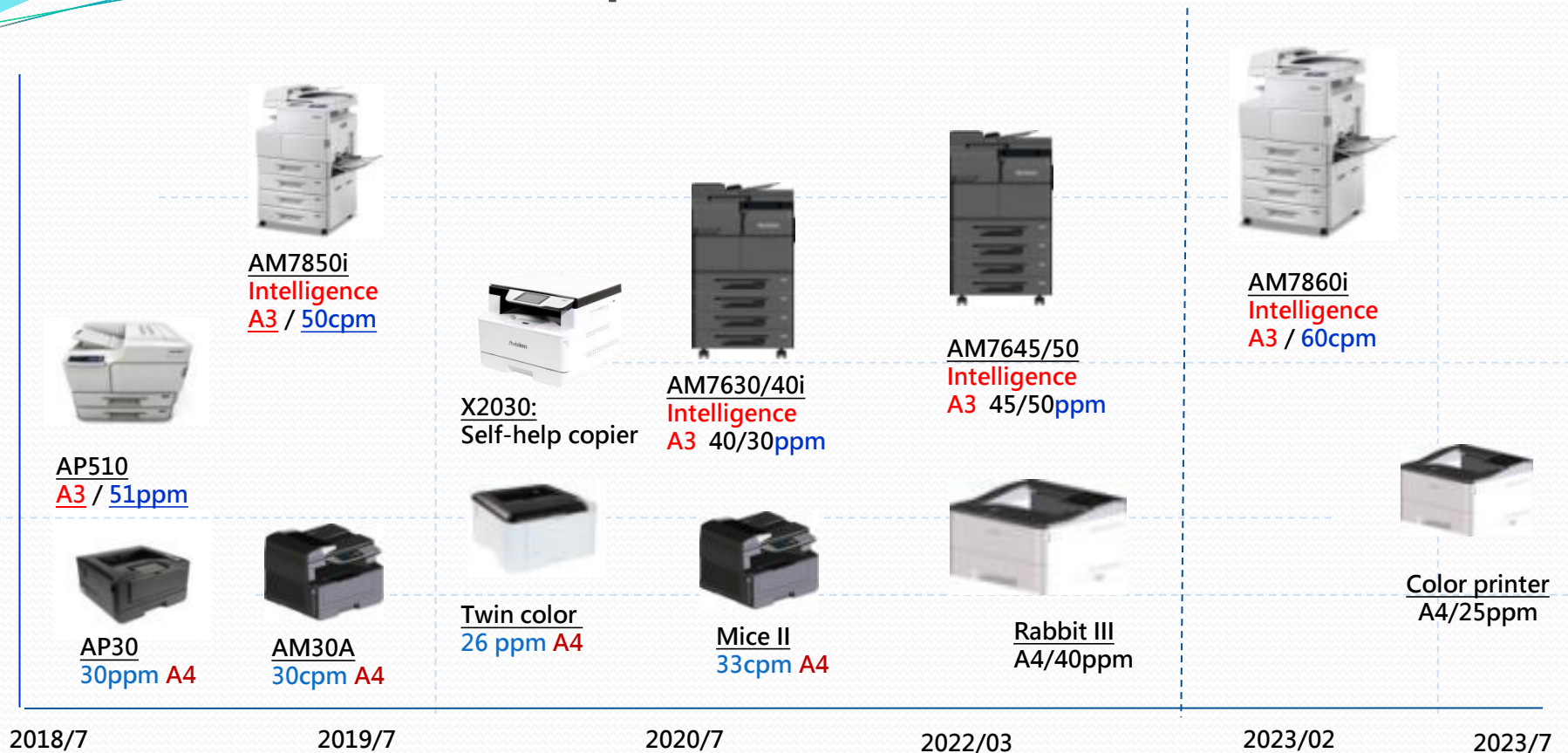
Highlight of Avison Printer in China

- Chip development and design - leader
- LPH development and manufacturing – leader
- A4 Printer Engine development and manufacturing – comparative with Lexmark
- A3 Printer Engine development and manufacturing - leader
- Toner Cartridge developing technology – leader
- Intelligent copy – leader

Avision Printer Business Plan

- Become a professional ODM/OEM company through technical cooperation with customers in China.
- Develop a business model that provides free maintenance and consumables, such as leasing, one-time payment with full guarantee, etc., to meet the printing/copying requirements of business and home offices.
- In the fourth quarter of this year, Europe and the United States launched A1 and 40ppm printers on Amazon to enter the world market.

Avision SFP/MFP Roadmap



Consolidated Statements of Operations

Income Statement For the Nine Months Ended September 30, 2021 and 2020

In Thousands of New Taiwan Dollars

	2021	2020	Growth(%)
Sales Revenue	2,828,116	1,835,372	54%
COGS	(2,224,378)	(1,509,281)	-47%
Gross Profit	603,738	326,091	85%
Operating Expenses	(730,449)	(689,350)	-6%
Operating Income(Loss)	(126,711)	(363,259)	65%
Non-OP Items	(5,438)	(48,693)	89%
Pre-tax Income(Loss)	(132,149)	(411,952)	68%
Income Tax	6,262	(701)	993%
Net Income(Loss)	(125,887)	(412,653)	69%
EPS (in NTD)	(0.69)	(2.36)	71%

Income Statement For the Three Months Ended September 30, 2022 and 2021

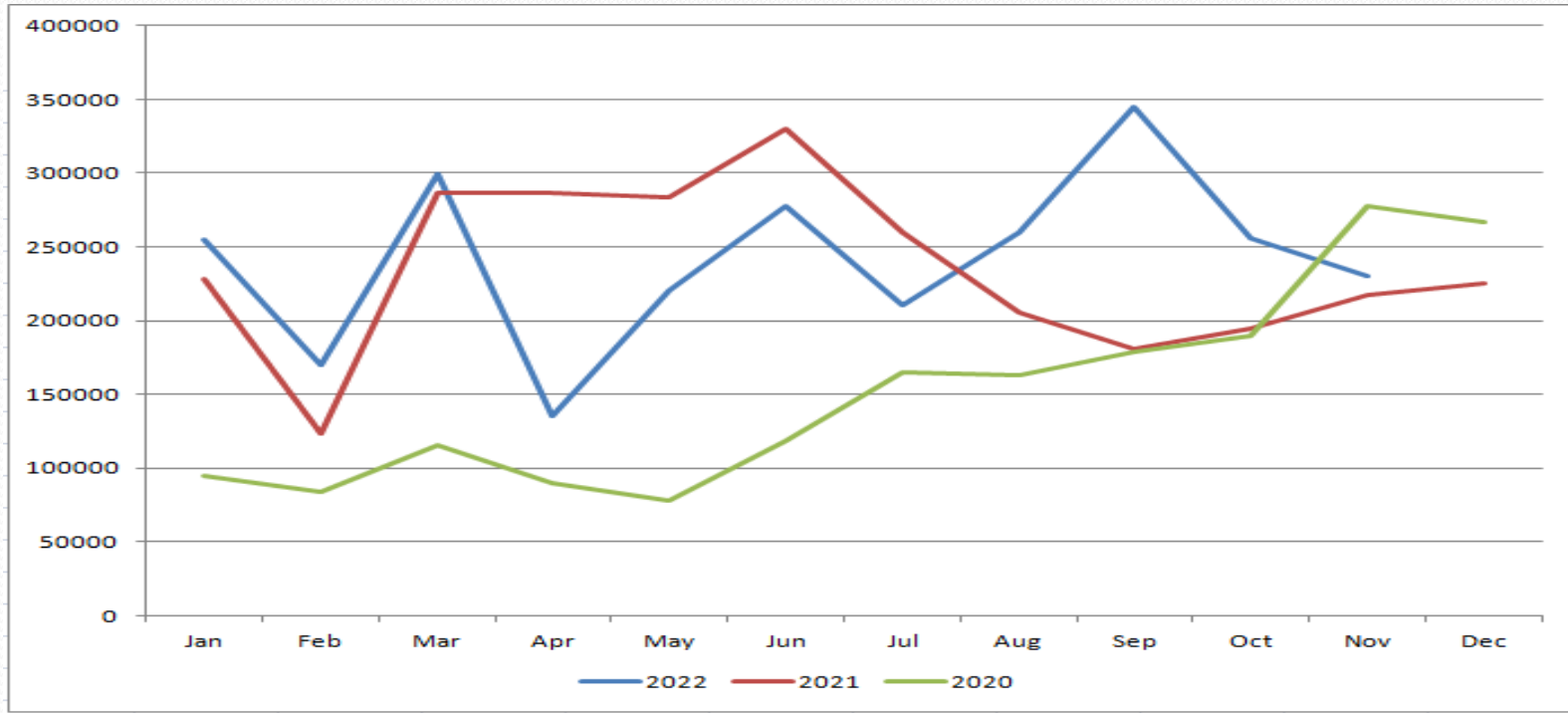
In Thousands of New Taiwan Dollars

	2022	2021	Growth(%)
Sales Revenue	872,368	661,984	32%
COGS	(631,697)	(530,236)	-19%
Gross Profit	240,671	131,748	83%
Operating Expenses	(196,123)	(192,979)	-2%
Operating Income(Loss)	44,548	(61,231)	173%
Non-OP Items	8,059	7,668	5%
Pre-tax Income(Loss)	52,607	(53,563)	198%
Income Tax	(76)	0	-
Net Income(Loss)	52,531	(53,563)	198%
EPS (in NTD)	0.28	(0.29)	197%

Income Statement For the Nine Months Ended September 30, 2022 and 2021
In Thousands of New Taiwan Dollars

	2022	2021	Growth(%)
Sales Revenue	2,225,142	2,199,482	1%
COGS	(1,676,766)	(1,722,672)	3%
Gross Profit	548,376	476,810	15%
Operating Expenses	(557,370)	(555,933)	0%
Operating Income(Loss)	(8,994)	(79,123)	89%
Non-OP Items	6,750	(956)	806%
Pre-tax Income(Loss)	(2,244)	(80,079)	97%
Income Tax	20,769	0	-
Net Income(Loss)	18,525	(80,079)	123%
EPS (in NTD)	0.11	(0.44)	125%

The Three-year Consolidated Revenue



Sales increases year by year. The growth for the nine months ended September 30 2022 is up to 32% from the prior-year period. The growth for the nine months ended September 30 2021 is up to 55% The growth of the Year 2020 is up 14% from the year 2019.

Thank you!