

Zhen Ding Reports 1Q23 Results, and is Conservative about 1H23 Prospects

Zhen Ding Technology Holding Limited (Ticker: 4958), a leading global PCB manufacturer, today announced its consolidated financial results for the first quarter of 2023. Revenue was NT\$31,545 million, reaching the second highest level for the same period in the company's history, and net income was NT\$863 million. According to Zhen Ding, the first half of the year is a traditional off-season, the demand for consumer electronics remains weak, and the supply chain is still digesting inventories. As a result, the company is relatively conservative about the operating results for 1H23. However, as the industry enters the traditional peak season in 2H23, Zhen Ding will prepare for the shipments of customers' new products, which will drive a steady recovery. That said, its operation will reach a bottom in 1H23. While the global macro-economic outlook remains highly uncertain, Zhen Ding will strive to achieve its full-year revenue target of approximately flat.

For the first quarter of 2023, Zhen Ding's revenue was NT\$31,545 million, down 7.0% YoY. Mobile Communication revenue increased by over 30% YoY, driven by the delay of some orders from the fourth quarter of last year. Computer and Consumer Electronics revenue faced a significant YoY decline, coming off a high base from the same period last year. Due to some pricing pressure amid sluggish end demand, gross margin decreased by 2.7 percentage points to 16.1%, and operating margin decreased by 4.6 percentage points to 3.9%. Net income decreased by 68.9% YoY to NT\$863 million, with net income attributable to the parent company being NT\$504 million and earnings per share being NT\$0.53.

According to Zhen Ding, it continues to work closely with world-class customers to develop each new generation of high-end products, delivering above industry-average financial performance. In the future, Zhen Ding will keep its pace of driving growth under the One ZDT strategy. While the company will maintain its leadership in the existing PCB business, it has also made progress in the high-end automotive and server boards, as well as IC substrates. With a moderate recovery in the second half of the year and new capacities coming online, Zhen Ding is optimistic about its growth in 2024-2025.

Unit: NT\$ million, except for EPS

Period	1Q23	1Q22	YoY%
Revenue	31,545	33,915	-7.0%
Gross Profit	5,075	6,387	-20.5%
Operating Profit	1,219	2,896	-57.9%
Net Income	863	2,775	-68.9%
Net Income to Parent	504	1,873	-73.1%
EPS	0.53	1.98	-73.2%
Gross Margin	16.1%	18.8%	-2.7ppts
Operating Margin	3.9%	8.5%	-4.6ppts
Net Margin	2.7%	8.2%	-5.5ppts

* For further details, please visit "[Investors](#)" section on the company website.

About Zhen Ding Technology Holding Limited

Zhen Ding Technology Holding Limited (Taiwan Stock Exchange Ticker: 4958) is engaged in the research, development, production and sales of a wide range of flexible printed circuit boards (FPC) and modules, high-density interconnect (HDI) PCBs, substrate-like PCBs (SLP), Mini LED ultra-thin boards, IC substrate and multi-layer rigid printed circuit boards (RPCB) for a wide range of applications including computer information, consumer electronics, networking, automotive electronics, high-performance computing and medical fields. We provide one-stop shopping for all-round solutions to our customers. For more information, please visit the Company's website: www.zdtco.com.

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