

Zhen Ding Reports The Third Quarter of 2021 Financial Results

Taoyuan, Taiwan, November 11, 2021 – Zhen Ding Technology Holding Limited (TWSE:4958) today announced the third quarter of 2021 financial results ended September 30, 2021:

- 3Q21 consolidated revenue was NT\$41,619 million; gross margin was 21.1%, up by 1.8ppts year-on-year
- 3Q21 net income was NT\$4,345 million, increased 85.6% year-on-year (3Q21 net income attributable to the parent company was NT\$3,074 million, increased 88.6% year-on-year)
- 3Q21 EPS of net income was NT\$4.59 (ESP attributable to the parent company was NT\$3.25)
- YT3Q21 consolidated revenue of NT\$98,580 million was a record high for the same period, increased 29.6% year-on-year (In US dollars, accumulated revenue was NT\$3,512 million, increased 37.7% year-on-year)
- YT3Q21 gross profit reached 18,370 million, increased 31.4% year-on-year; gross margin was 18.6%
- YT3Q21 net income was NT\$6,834 million (net income attributable to the parent company was NT\$4,782 million)
- YT3Q21 EPS of net income was NT\$7.23 (ESP attributable to the parent company was NT\$5.06)

The growth in both revenue and profit for the first three quarters of 2021 was mainly driven by the expansion benefits resulting from continuous investment. With the increasing new applications in 5G, IoT and automotive areas, our shipments for new products have increased as more share was gained while entering the traditional high season. Meantime, we continuous to work closely with customers for advanced product development. On the first three quarter basis, accumulated R&D expenses increased 57.3% year-on-year to NT\$5,498 million, representing 5.58% of total revenue. Capital expenditures totaled NT\$23,561 million, up by 65.6% year-on-year. Depreciation and amortization reached NT\$8,651 million and increased 44.8% year-on-year. EBITDA (earnings before taxes, interest, depreciation, and amortization) was NT\$17,028 million for the first three quarters of 2021, an increase of 39.5% year-on-year. EBITDA margin was 17.3%.

Although the second half of 2021 will be affected by the supply chain adjustment, the goal of annual revenue growth for year 2021 remains achievable with positive sales outlook in the fourth quarter, which is expected to benefit from the plan to diversify our product portfolio continuously.

About Zhen Ding Tech. Group

Zhen Ding Tech. Group, including Zhen Ding Technology Holding Limited (TWSE: 4958), Avary Holding (Shenzhen) Co., Limited (SZSE: 002938), BoardTek Electronics Corporation and Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., specializes in R&D, manufacturing and sales for a variety of flexible circuit boards (FPC), substrate-like PCBs (SLP), high-density interconnect (HDI) PCBs, rigid printed circuit boards (RPCB), IC substrates (ICS), rigid-flex PCBs, chip-on-film (COF) ICs, and modules products. The Company provides a total solution used in the wide range of applications for computing, consumer, communications, automotive electronics and medical segments.

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Table 1:

The Third Quarter of 2021 Financial Summary

Unit: NT\$ million (Except NT\$ for EPS)

Period	3Q21	3Q20	Variance	YoY Change
Sales revenue	41,619	32,077	9,542	29.7%
Gross profit	8,783	6,204	2,579	41.6%
Gross margin	21.1%	19.3%		
Operating expenses	(3,852)	(3,189)		20.8%
Therein: R&D expenses	(1,922)	(1,419)	503	35.4%
Operating profit	4,931	3,015		63.5%
Net income	4,345	2,341	2,004	85.6%
Net income attributable to the parent company	3,074	1,630	1,444	88.6%
EPS of net income	4.59	2.59		77.2%
EPS attributable to the parent company	3.25	1.81		79.6%
Depreciation and amortization	3,013	2,011	1,002	49.8%

Table 2:**The First Three Quarters of 2021 Financial Summary**

Unit: NT\$ million (Except NT\$ for EPS)

Period	YT3Q21	YT3Q20	Variance	YoY Change
Sales revenue	98,580	76,079	22,501	29.6%
Gross profit	18,370	13,978	4,392	31.4%
Gross margin	18.6%	18.4%		
Operating expenses	(10,892)	(7,923)		37.5%
Therein: R&D expenses	(5,498)	(3,496)	2,002	57.3%
Operating profit	7,478	6,056		23.5%
Net income	6,834	5,453	1,381	25.3%
Net income attributable to the parent company	4,782	3,777	1,005	26.6%
EPS of net income	7.23	6.04		19.7%
EPS attributable to the parent company	5.06	4.19		20.8%
Capex (PP&E)	23,561	14,228	9,336	65.6%
Depreciation and amortization	8,651	5,973	2,678	44.8%
EBITDA	17,028	12,207		39.5%
Capital ⁽¹⁾	9,470	9,022		5.0%
Debt Ratio	44.82%	37.97%		

Note:

- (1) The total capital increased to NTD 9,479 million as a result of the acquisition of the Boardtek Electronics Corporation by issuing new shares in November 2020.