

# Zhen Ding Technology Holding (4958 TT)

## First Quarter 2022 Financial Result

May 11, 2022

- Zhen Ding Technology Holding's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Consolidated Statements of Income

(Unit: NT\$ million, unless otherwise stated)

|                                   | 1Q22         | 1Q21         | YoY (%)            |
|-----------------------------------|--------------|--------------|--------------------|
| Revenue (US\$ million)            | 1,210        | 958          | +26.3%             |
| Revenue                           | 33,915       | 27,193       | +24.7%             |
| Gross Profit                      | 6,387        | 4,752        | +34.4%             |
| <b>Gross Margin</b>               | <b>18.8%</b> | <b>17.5%</b> | <b>+1.3 ppts</b>   |
| Operating Expenses                | 3,491        | 3,421        | +2.0%              |
| Operating Income                  | 2,896        | 1,331        | +117.6%            |
| <b>Operating Margin</b>           | <b>8.5%</b>  | <b>4.9%</b>  | <b>+3.6 ppts</b>   |
| Total Non-Operating Income (Loss) | 426          | 580          | -26.6%             |
| Net Income                        | 2,775        | 1,391        | +99.6%             |
| Net Income to Parent              | 1,873        | 948          | +97.6%             |
| <b>Net Margin</b>                 | <b>8.2%</b>  | <b>5.1%</b>  | <b>+3.1 ppts</b>   |
| EPS (NT\$)                        | 1.98         | 1.00         | +99.0%             |
| ROE                               | 9.6%         | 5.4%         | <b>+ 4.2. ppts</b> |
| Average Exchange Rate             | 28.032       | 28.370       |                    |

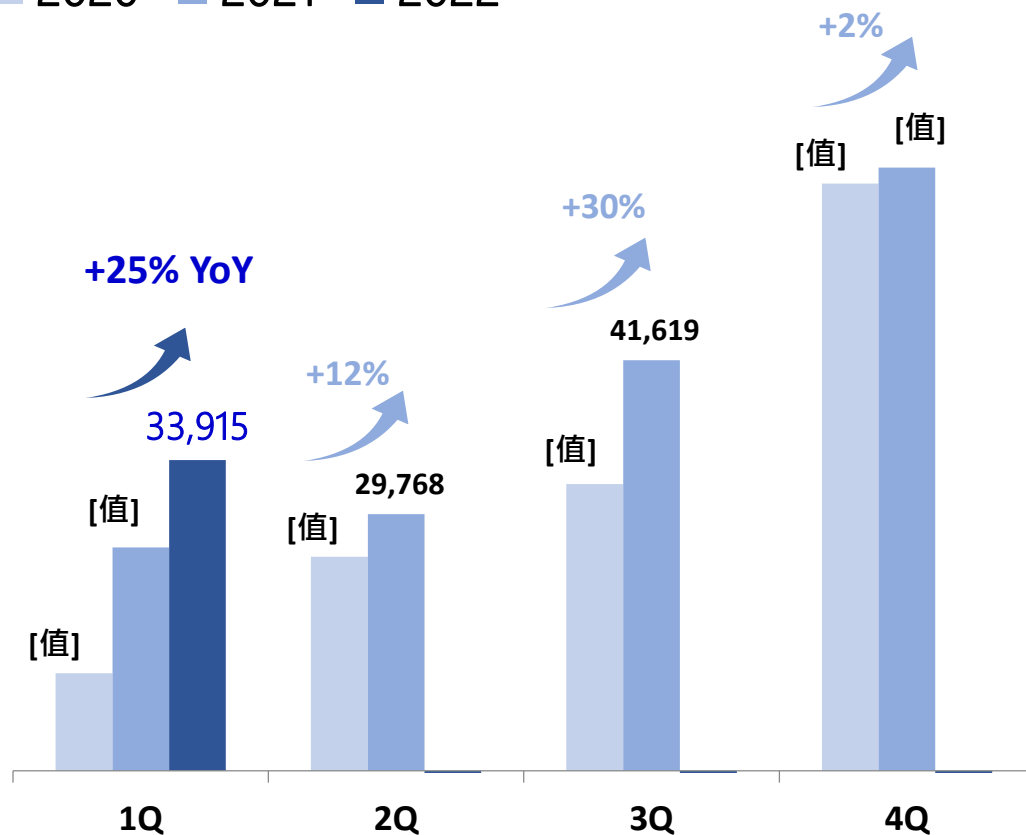
\* 1Q22 weighted average of shares outstanding: 944,956 thousand shares

\*\* ROE is annualized data calculated based on the average of equity attributable to owners of parent

# Quarterly Revenue Trends

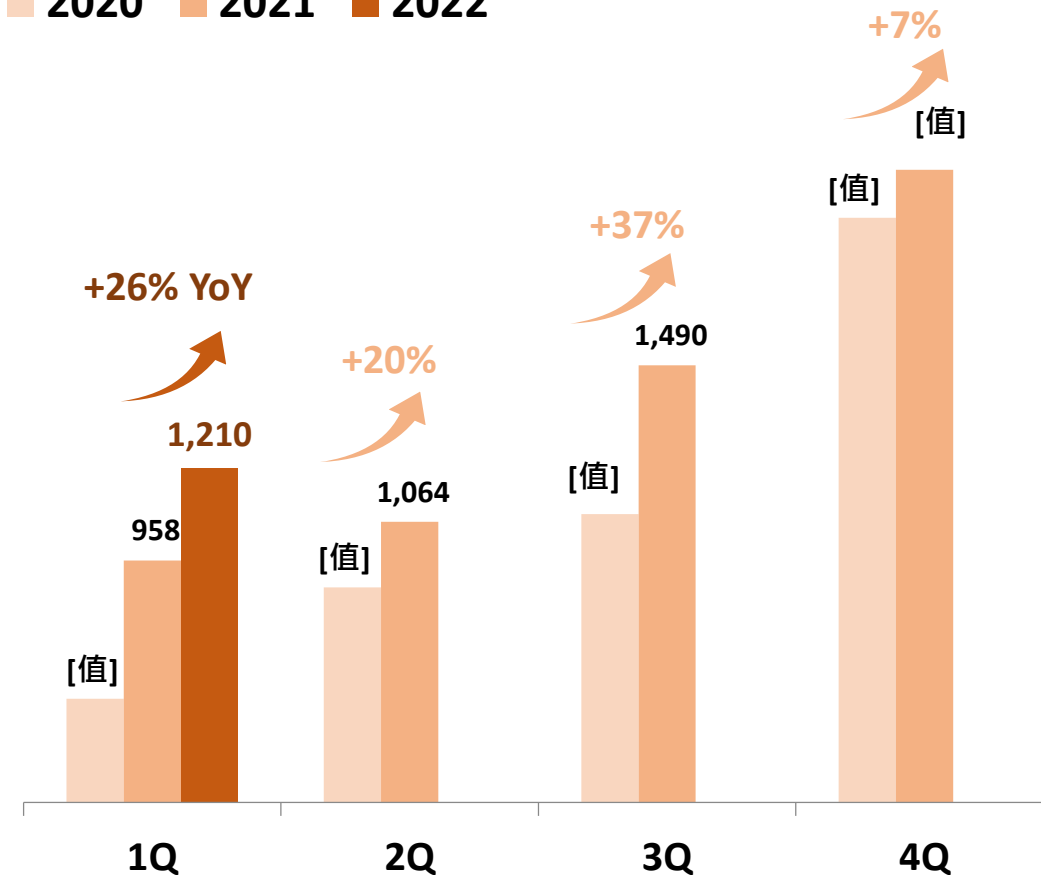
Unit: NT\$ million

2020 2021 2022



Unit: US\$ million

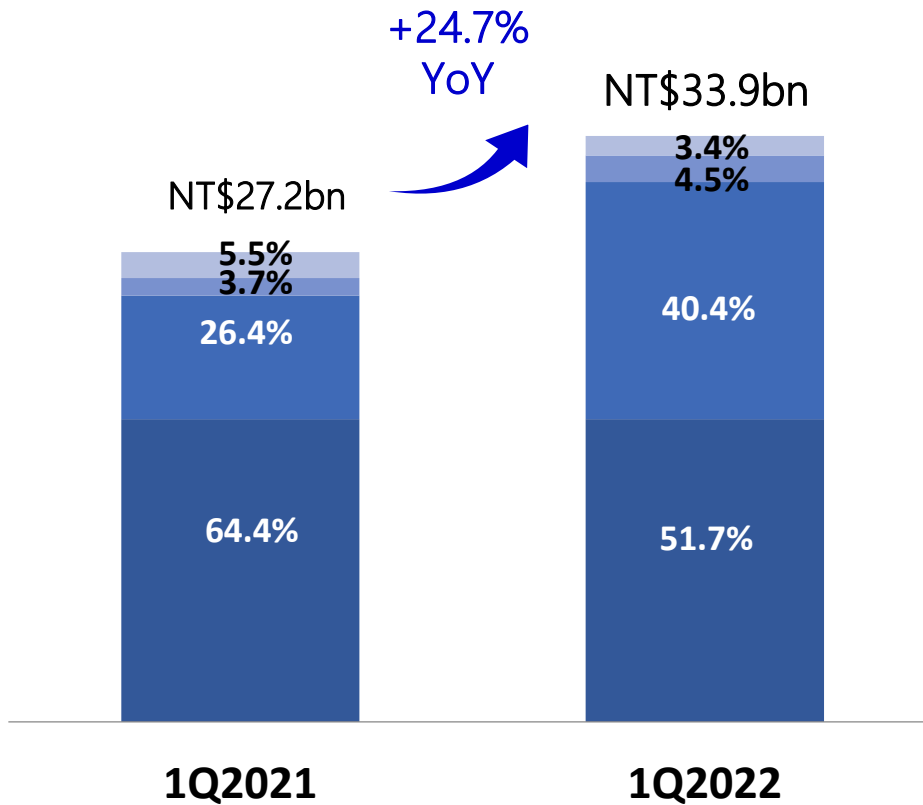
2020 2021 2022



# 1Q22 Revenue Breakdown – By Applications

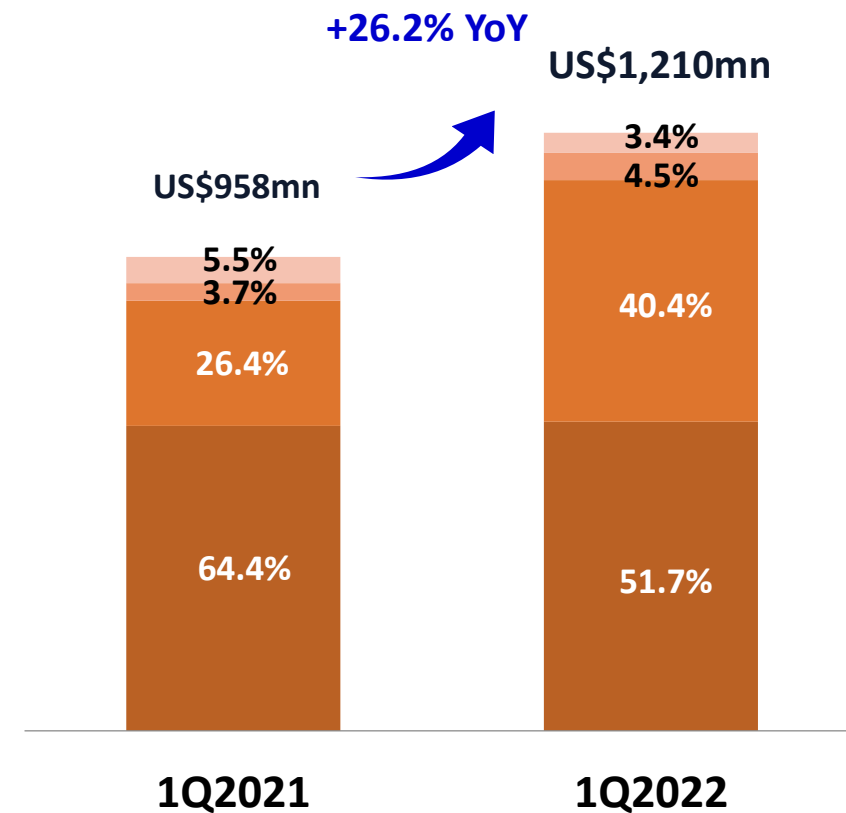
## Revenue (NT\$) YoY

- Automotive Radar/Base Station/Server/Others
- IC Substrate
- Computers and Consumer Electronics
- Mobile Communication



## Revenue (US\$) YoY

- Automotive Radar/Base Station/Server/Others
- IC Substrate
- Computers and Consumer Electronics
- Mobile Communication



# Consolidated Balance Sheet and Key Indices

|  | 2022-3-31      |               | 2021-12-31     |               | Unit: NT\$ million<br>2021-3-31 |               |
|--|----------------|---------------|----------------|---------------|---------------------------------|---------------|
|  | Amount         | %             | Amount         | %             | Amount                          | %             |
| Cash and Cash Equivalents**            | 42,605         | 21.2%         | 35,179         | 18.0%         | 48,757                          | 27.6%         |
| Notes & Accounts Receivable            | 26,569         | 13.3%         | 38,669         | 19.8%         | 20,273                          | 11.5%         |
| Inventories                            | 19,754         | 9.8%          | 17,675         | 9.0%          | 16,857                          | 9.6%          |
| Property, Plant and Equipment          | 93,471         | 46.6%         | 86,073         | 44.0%         | 72,387                          | 41.0%         |
| <b>Total Assets</b>                    | <b>200,579</b> | <b>100.0%</b> | <b>195,755</b> | <b>100.0%</b> | <b>176,475</b>                  | <b>100.0%</b> |
| Current Liabilities                    | 55,892         | 27.9%         | 56,880         | 29.1%         | 61,191                          | 34.7%         |
| Interest-bearing Long-term liabilities | 18,966         | 9.5%          | 17,982         | 9.2%          | 11,012                          | 6.2%          |
| <b>Total Liabilities</b>               | <b>82,544</b>  | <b>41.1%</b>  | <b>82,235</b>  | <b>42.0%</b>  | <b>75,397</b>                   | <b>42.6%</b>  |
| <b>Total Equity</b>                    | <b>118,035</b> | <b>58.8%</b>  | <b>113,520</b> | <b>58.0%</b>  | <b>101,077</b>                  | <b>57.3%</b>  |

## Key Indices

|                         |      |      |      |
|-------------------------|------|------|------|
| A/R Turnover Days       | 86   | 84   | 90   |
| Inventory Turnover Days | 66   | 48   | 67   |
| Current Ratio (x)       | 1.66 | 1.69 | 1.47 |
| PPE Turnover (x) ***    | 1.51 | 1.80 | 1.55 |

\* Shares outstanding as of 2022/3/31: 944,956 thousand shares

\*\* Including current financial assets at amortized cost (time deposits, etc.)

\*\*\* PPE Turnover = annualized net revenue / average net property, plant and equipment

# Consolidated Statements of Cash Flow

Unit: NT\$ million

|  | 1Q22          | 4Q21          | 1Q21          |
|--|---------------|---------------|---------------|
| <b>Beginning Balance</b>               | <b>33,790</b> | <b>30,336</b> | <b>44,223</b> |
| Cash Inflow Generated from Operations  | 14,192        | 7,768         | 7,976         |
| Capital Expenditures                   | (7,661)       | (7,184)       | (7,589)       |
| Cash Dividend Paid                     | -             | -             | -             |
| Increase (Decrease) of Short-term Debt | (3,050)       | (2,939)       | 1,999         |
| Investments and Others                 | 2,715         | 5,808         | 150           |
| <b>Ending Balance</b>                  | <b>39,986</b> | <b>33,790</b> | <b>46,759</b> |

# 2011-2021 Financial Summary

Unit: NT\$ million

| Year                          | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017    | 2018    | 2019    | 2020    | 2021    |
|-------------------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| Revenue                       | 44,280 | 55,369 | 64,483 | 75,954 | 85,738 | 82,393 | 109,238 | 117,913 | 120,068 | 131,279 | 155,022 |
| Gross Profit                  | 6,993  | 10,775 | 11,894 | 14,323 | 16,427 | 12,542 | 17,833  | 26,061  | 27,222  | 26,584  | 30,537  |
| Net Income                    | 2,356  | 4,056  | 5,471  | 6,735  | 7,731  | 3,456  | 6,772   | 11,536  | 12,402  | 11,508  | 13,694  |
| Net Income to Parent          | 2,356  | 4,056  | 5,471  | 6,735  | 7,731  | 3,456  | 5,172   | 8,448   | 8,685   | 8,095   | 9,651   |
| Depreciation & Amortization   | 3,008  | 3,375  | 3,742  | 4,293  | 4,850  | 5,295  | 5,679   | 6,820   | 7,955   | 8,405   | 11,875  |
| EPS (NT\$)                    | 3.30   | 5.49   | 7.41   | 9.12   | 9.80   | 4.29   | 6.43    | 10.50   | 9.93    | 8.90    | 10.21   |
| DPS (NT\$)                    | 1.50   | 2.50   | 3.00   | 3.67   | 4.50   | 2.20   | 3.30    | 4.46    | 4.50    | 4.50    | 5.00    |
| Payout Ratio (%)              | 45.45% | 45.54% | 40.49% | 40.24% | 45.92% | 51.28% | 51.32%  | 42.48%  | 45.32%  | 50.56%  | 48.97%  |
| Cash and Cash Equivalents*    | 4,084  | 8,756  | 10,016 | 23,482 | 31,572 | 30,241 | 33,296  | 49,154  | 43,071  | 46,775  | 35,179  |
| Property, Plant and Equipment | 27,097 | 26,637 | 27,843 | 30,073 | 32,074 | 32,262 | 36,681  | 41,913  | 46,243  | 68,177  | 86,073  |
| Capital                       | 6,699  | 7,034  | 7,386  | 7,386  | 8,047  | 8,047  | 8,047   | 8,047   | 9,022   | 9,470   | 9,470   |
| ROE (%)                       | 15.34% | 21.27% | 23.77% | 23.33% | 20.82% | 8.59%  | 14.49%  | 17.30%  | 14.72%  | 11.84%  | 12.59%  |
| Debt Ratio (%)                | 67.03% | 66.28% | 64.06% | 62.54% | 53.70% | 59.72% | 55.33%  | 44.25%  | 35.41%  | 42.56%  | 42.01%  |

\* Including current financial assets at amortized cost (time deposits, etc.)



**Based on our current business outlook, management targets:**

- **2022 revenue and net income: Double-digit growth**
- **Capex for IC substrate: Plan to invest NT\$60bn in the next 4 years, NT\$15bn per year**
- **Revenue from IC substrate: Continue to grow >50% annually in the next 4 years and account for >15% of company's consolidated revenue in 2025**
- **Aim to become one of the global top 5 companies in IC substrate market in 2030**



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Zhen Ding Tech. Holding

THANK YOU