

Zhen Ding Technology Holding (4958 TT)

3Q22 Financial Results

November 4th, 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.



AGENDA

- 1 3Q22 Financial Results
- 2 Company Strategy
- 3 Business Roadmap and Execution



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Zhen Ding Tech. Holding

3Q22 Financial Results

3Q22 Financial Results

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

	3Q22	2Q22	3Q21	QoQ		YoY	
				Change	%	Change	%
Revenue	50,004	34,534	41,619	15,470	44.8%	8,385	20.1%
Gross Margin	26.0%	19.1%	21.1%		+6.9ppts		+4.9ppts
Operating Profit	8,067	2,791	4,931	5,276	189.0%	3,136	63.6%
Operating Margin	16.1%	8.1%	11.8%		+8.0ppts		+4.3ppts
Non-Operating Income/Expense	345	1,225	207	(880)	-71.8%	138	66.7%
Net Income	7,172	3,730	4,345	3,442	92.3%	2,827	65.1%
Net Margin	14.3%	10.8%	10.4%		+3.5ppts		+3.9ppts
Net Income to Parent	4,985	2,634	3,075	2,351	89.3%	1,910	62.1%
EPS (NT\$)	5.27	2.79	3.25	2.48		2.02	
Cash Inflow Generated from Operations	8,410	7,251	950	1,159	16.0%	7,460	785.3%
Capital Expenditures	8,216	7,585	9,244	631	8.3%	(1,028)	-11.1%
Cash and Cash Equivalents*	48,957	44,480	32,229	4,477	10.1%	16,728	51.9%
ROE(%)	23.8%	12.9%	16.6%		+10.9ppts		+7.2ppts

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

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

1Q-3Q22 Financial Results

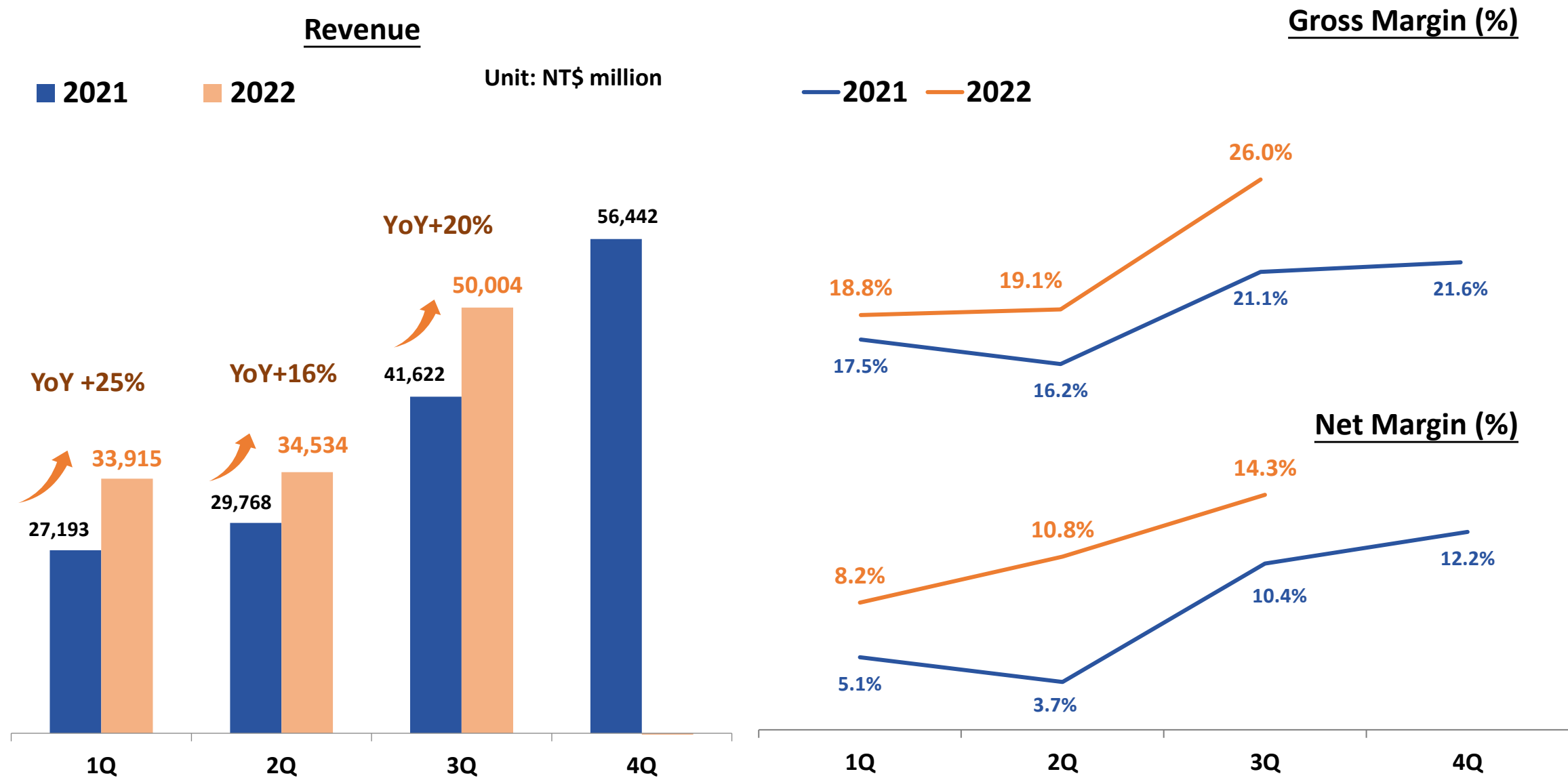
(Unit: NT\$ million, unless otherwise stated)

	1Q-3Q22	1Q-3Q21	Change	YoY (%)
Revenue	118,454	98,580	19,874	+20.2%
Gross Margin	21.9%	18.6%		+3.3ppts
Operating Profit	13,753	7,478	6,275	+83.9%
Operating Margin	11.6%	7.6%		+4.0ppts
Non-Operating Income/Expense	1,995	758	1,237	+163.2%
Net Income	13,678	6,834	6,844	+100.1%
Net Margin	11.6%	6.9%		+4.7ppts
Net Income to Parent	9,492	4,782	4,710	+98.5%
EPS (NT\$)	10.04	5.06	4.98	
Cash Inflow Generated from Operations	29,853	6,290	23,563	+374.6%
Capital Expenditures	23,462	23,561	(99)	-0.4%
Cash and Cash Equivalents*	48,957	32,229	16,728	+51.9%
ROE(%)	15.1%	8.7%		+6.4ppts

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

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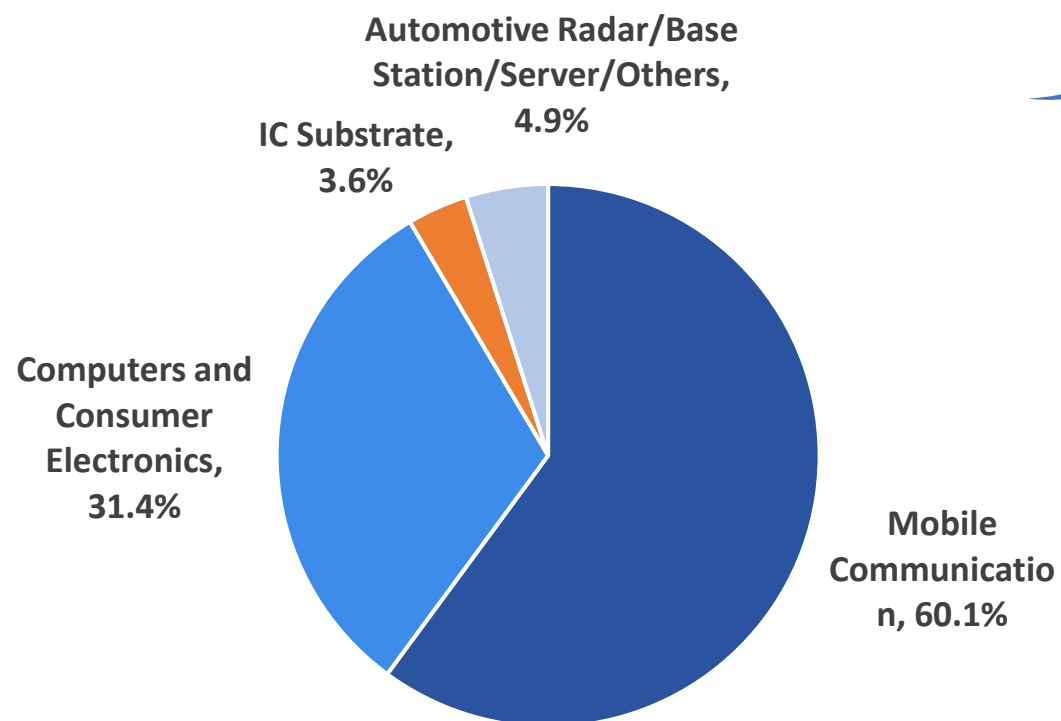
Quarterly Revenue Trends





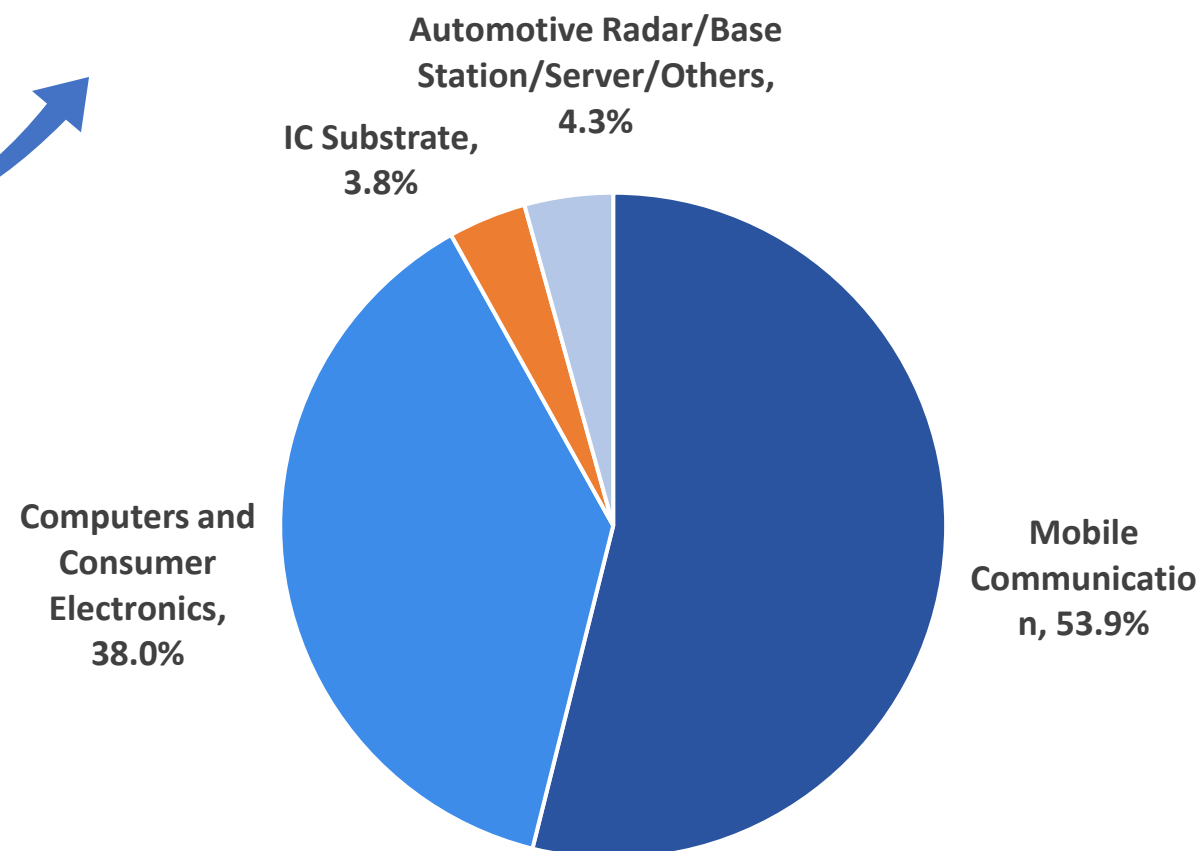
1Q-3Q22 Revenue Breakdown – By Applications

1Q-3Q21 Revenue NT\$98.6bn



YoY +20.2%

1Q-3Q22 Revenue NT\$ 118.5bn



Consolidated Balance Sheet and Key Indices

	2022-9-30		2021-9-30		Unit: NT\$ million Change	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents**	48,957	21.3%	32,229	16.9%	16,728	+4.4ppts
Notes & Accounts Receivable	36,326	15.8%	29,048	15.3%	7,278	+0.5ppts
Inventories	24,053	10.5%	27,233	14.3%	(3,180)	-3.8ppts
Property, Plant and Equipment	99,514	43.3%	82,387	43.3%	17,127	-ppts
Total Assets	229,707	100.0%	190,207	100.0%	39,500	
Debt	46,515	20.3%	40,588	21.3%	5,927	-1.0ppts
Notes & Accounts Payable	39,774	17.3%	40,186	21.1%	(412)	-3.8ppts
Total Liabilities	101,874	44.3%	85,247	44.8%	16,627	-0.5ppts
Total Equity	127,833	55.7%	104,959	55.2%	22,874	+0.5ppts

Key Indices

A/R Turnover Days	85	87	(2)
Inventory Turnover Days	65	73	(8)
Current Ratio (x)	1.52	1.47	0.05
PPE Turnover (x) ***	1.70	1.75	(0.05)

* Shares outstanding as of 2022/9/30: 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

2011-2021 Financial Summary

Unit: NT\$ million

Period	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.)



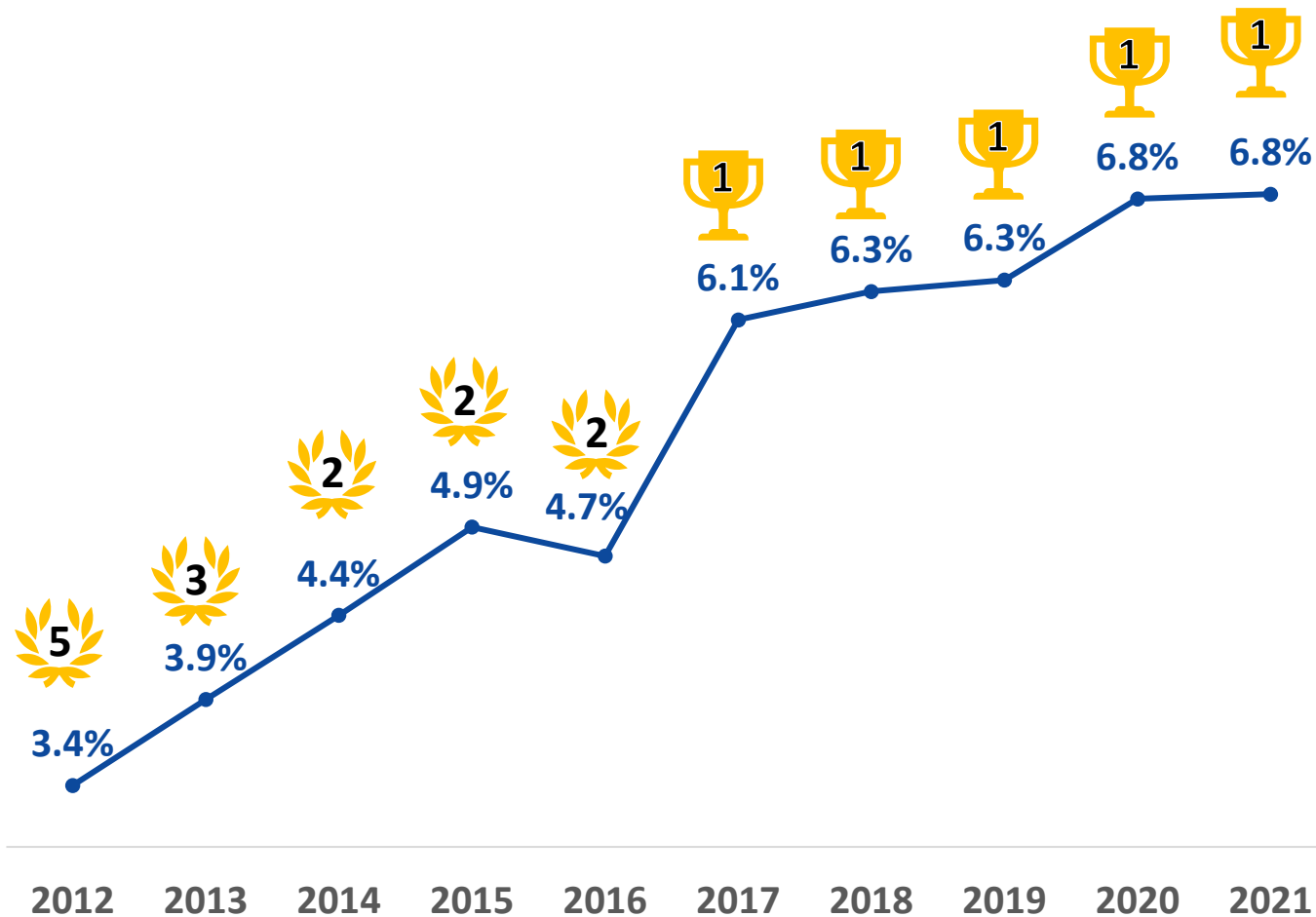
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Company Strategy

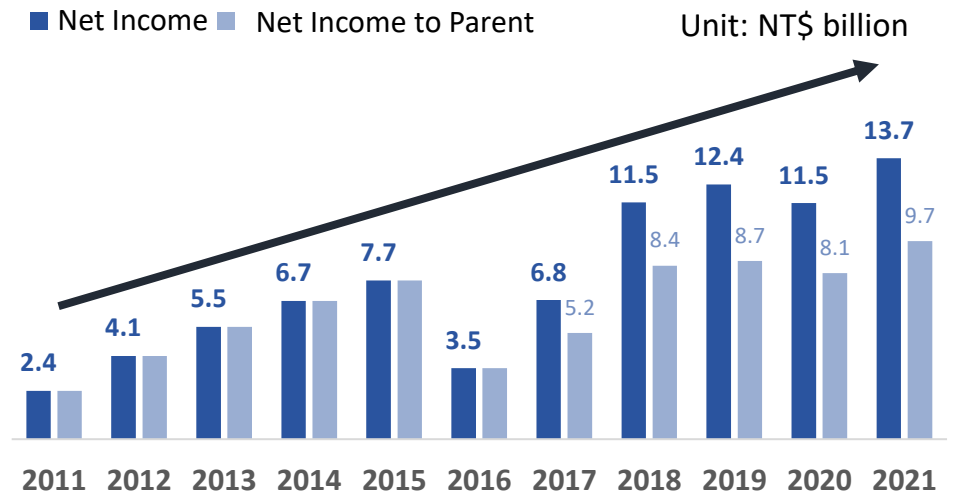
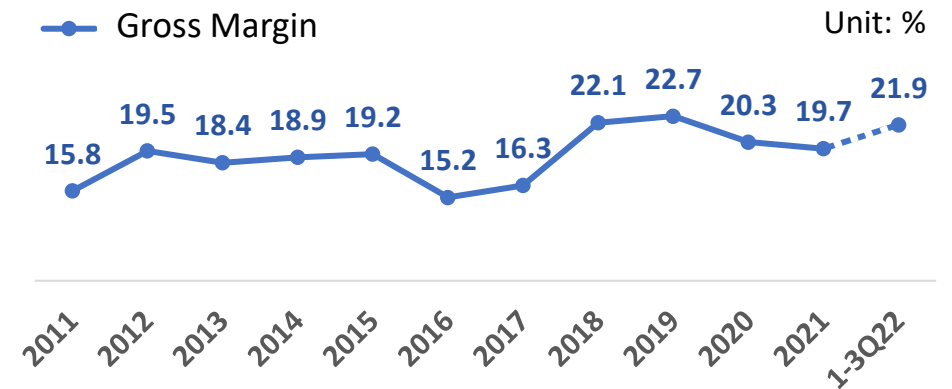
Market Share Gain with Stable Profitability

ZDT: Continued Market Share Gain in the Global PCB Market



Source : Prismark

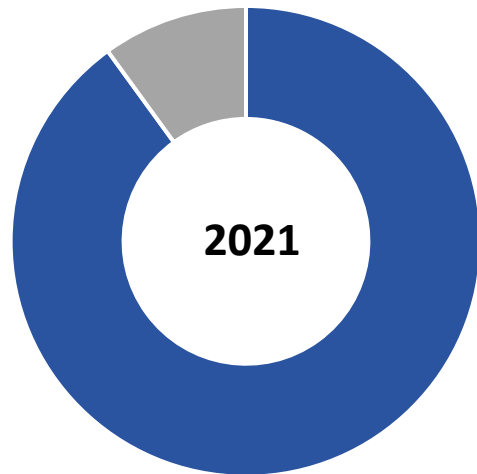
Stable Profitability



1. Work with global tier 1 customers

ZDT's Geographical Revenue Share (by End Customer)

Others, 10%



North America
& Europe, 90%

2. Keep creating One ZDT synergies

Product

Work on product R&D in different applications with customers and provide best product solutions

Manufacture

Multiple manufacturing bases meeting customers' need and being able to adjust capacity in short time

Management

Bring smart management system to each fab, achieve higher yield and efficiency by co-learning

Talent

Develop comprehensive talent cultivate and promotion program. Part of the outstanding employees will become Management Associate

3. Develop new application markets with customers

Metaverse



Autopilot System



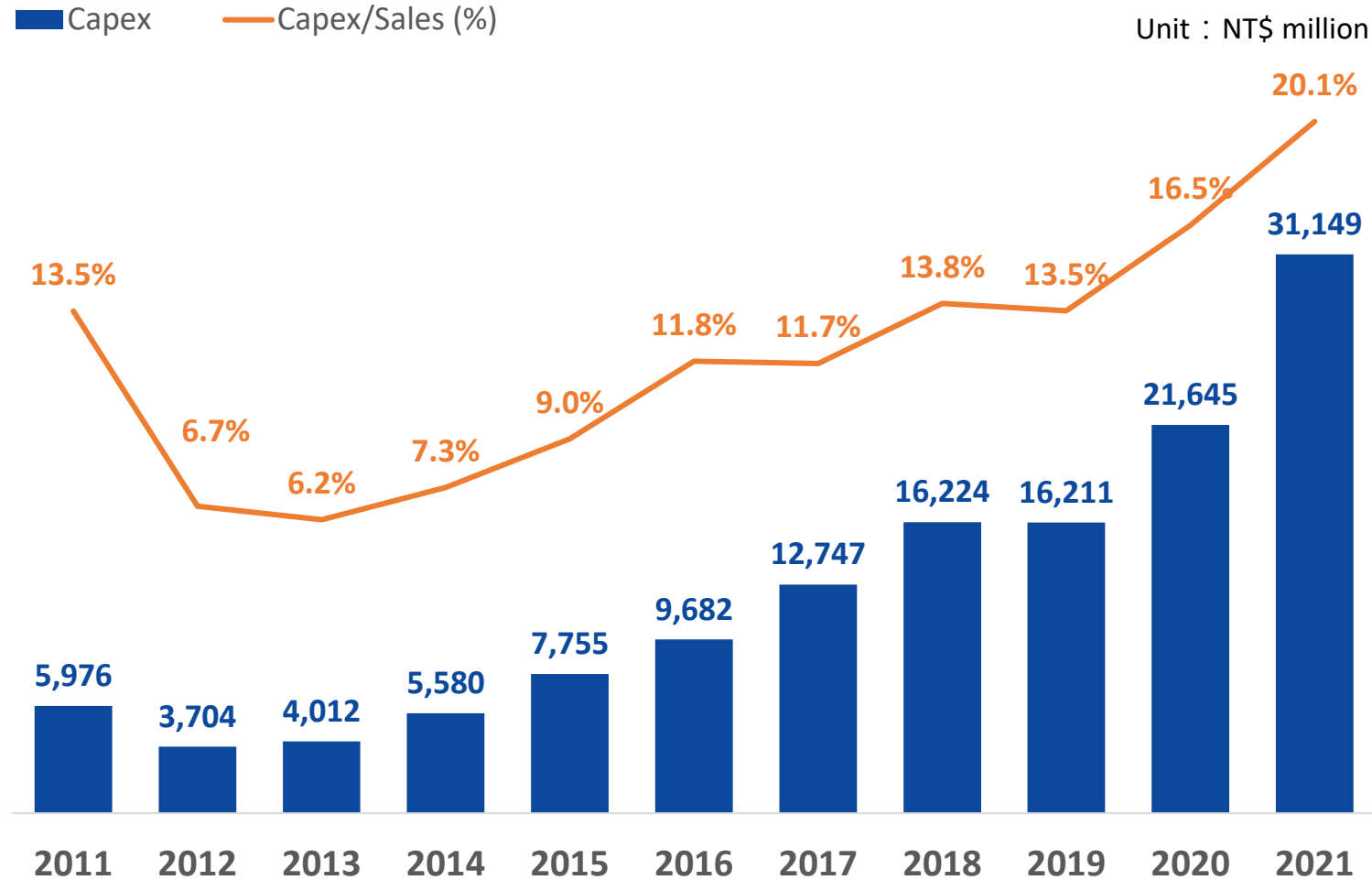
Low-earth-orbit satellite



Cloud Data Center



Seeking Stable Growth by Expanding Capacity



We build up
capacity to meet
customers' need
in advance

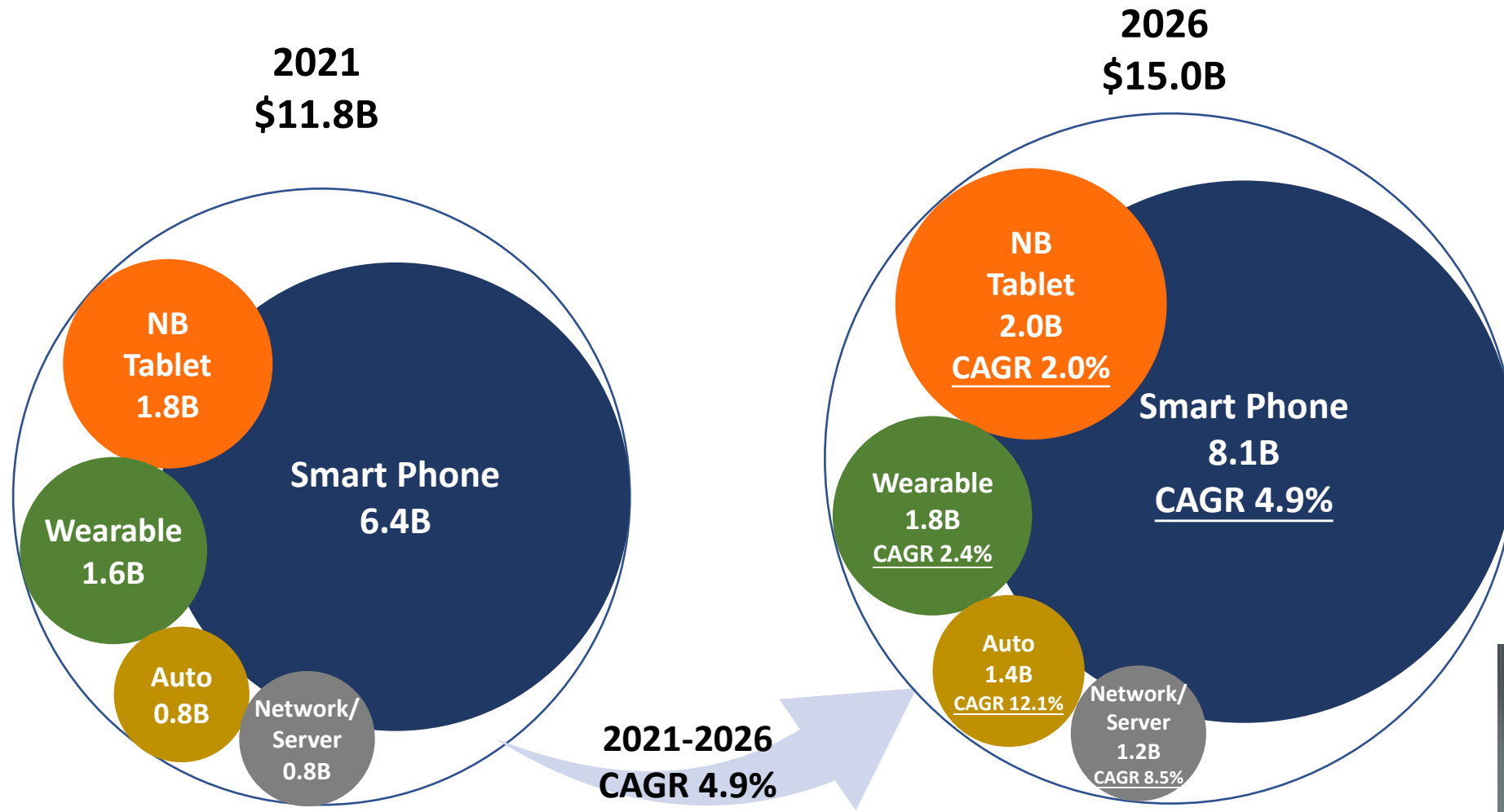


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Business Roadmap and Execution

Diversified Applications of HDI



Smart Phone



Tablet



Wearable



Auto



Network/Server

Source : Prismark (2022/8)

Capacity Expansion Plans : On Schudule



Qinghuangdao BT Substrate Fab:
FC-CSP/WB-CSP/Memory



Shenzhen ABF Substrate Fab: FCBGA



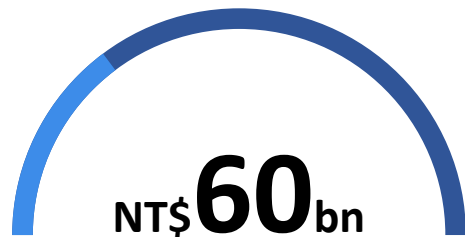
Kaohsiung Luzhu Science Park:
FPC and Advanced Module Production Line



Huai'an Park 3: High-end HDI/MSAP

Based on our current business outlook, management targets:

- 2022 revenue and net income: Double-digit growth
- IC Substrate Goals



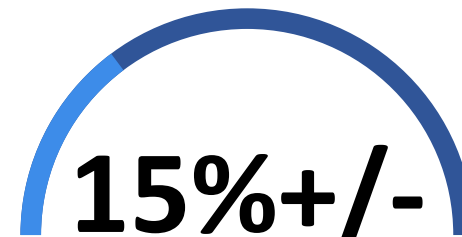
Capex for IC Substrate:

Plan to invest NT\$60bn in the next 4 years, with NT\$15bn per year



Revenue from IC Substrate:

Revenue CAGR >50% in the next 4 years



Revenue from IC Substrate:

Account for 15 %+/- of company's consolidated revenue in 2025



IC Substrate Market Share:

Aim to become one of the global top 5 companies in the IC substrate market in 2030



Q&A



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THANK YOU