

Zhen Ding's 3Q22 Revenue and Net Income Both Reached Record Highs for the Same Period Again

Zhen Ding Technology Holding Limited (Ticker: 4958), a leading global PCB manufacturer, today announced its consolidated financial results for the third quarter of 2022. Its third quarter revenue of NT\$50,004 million and net income of NT\$7,172 million, as well as the first three quarters revenue of NT\$118,454 million and net income of NT\$13,678 million – all set record highs for the same period again.

According to Zhen Ding, in the third quarter, with the synergies from the company's four main product lines (FPC, HDI, multi-layer RPCB, and IC Substrate), its revenue for the four key applications, including Mobile Communication, Computer and Consumer Electronics, IC Substrate, and Automotive/Base Station/ Server, all delivered year-on-year growth. In addition, Zhen Ding's net income increased significantly by 65.1% YoY, as its product mix continues to shift to higher end products and its operating efficiency of four product lines all improved materially under the One ZDT strategy.

For the third quarter of 2022, Zhen Ding's revenue increased by 44.8% QoQ and 20.1% YoY to NT\$50,004 million, which was a record high for the same period. Compared with the same period last year, gross margin increased by 4.9 percentage points to 26.0%, and operating margin increased by 4.3 percentage points to 16.1%. Net income increased by 65.1% YoY to NT\$7,172 million, and net income attributable to the parent company increased by 62.1% YoY to NT\$4,985 million, with earnings per share reaching NT\$5.27 – all marking record highs for the same period.

Zhen Ding pointed out that, the fourth quarter is a traditional peak season for customers' newly launched Smartphones and Computers & Consumer Electronics products. This combined with the mass production of new products for automotive and servers, and the order wins of high-end automotive and server models from important customers, have all resulted in healthy order visibility. However, the supply chain still faces many uncertainties currently, and Zhen Ding needs to continue to monitor the market situation in the fourth quarter. Overall, the company is still moving toward the goal of achieving double-digit annual growth in both revenue and net income for the year.

In addition, Zhen Ding's capacity expansion plans are all on schedule. Two new fabs, namely the first ABF fab in Shenzhen and the high-end HDI fab in Huai'an Park 3, will enter mass production next year. The new RPCB capacity in Huai'an Park 1 will also come online next year, which will effectively alleviate the company's capacity constraints in the high-end automotive and server applications. Meanwhile, the building in Kaohsiung Luzhu Science Park is now under construction, and the company also plans to transform the Boardtek fab 1 into a smart factory.

Looking ahead to next year, while the global macro-economic outlook is still highly uncertain, Zhen Ding will continue to execute its growth strategy. Under the One ZDT strategy, the company will leverage its four product lines, namely FPC, IC substrate, HDI and multi-layer RPCB to penetrate fast-growing application markets, further strengthening its leading position in the PCB industry.

Unit: NT\$ million, except for EPS

Period	3Q22	2Q22	QoQ	3Q21	YoY	1-3Q22	1-3Q21	YoY
Revenue	50,004	34,534	+44.8%	41,619	+20.1%	118,454	98,580	+20.2%
Gross Profit	12,985	6,603	+96.7%	8,782	+47.8%	25,975	18,370	+41.4%
Operating Profit	8,067	2,791	+189.0%	4,931	+63.6%	13,753	7,478	+83.9%
Net Income	7,172	3,730	+92.3%	4,345	+65.1%	13,678	6,834	+100.1%
Net Income to Parent	4,985	2,634	+89.3%	3,075	+62.1%	9,492	4,782	+98.5%
EPS (NT\$)	5.27	2.79	+88.9%	3.25	+62.2%	10.04	5.06	+98.4%
Gross Margin	26.0%	19.1%	+6.9ppts	21.1%	+4.9ppts	21.9%	18.6%	+3.3ppts
Operating Margin	16.1%	8.1%	+8.0ppts	11.8%	+4.3ppts	11.6%	7.6%	+4.0ppts
Net Margin	14.3%	10.8%	+3.5ppts	10.4%	+3.9ppts	11.6%	6.9%	+4.7ppts

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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