

Zhen Ding Again Reached Record Revenue and Net Profit for the Full Year of 2022

Zhen Ding Technology Holding Limited (Ticker: 4958), a leading global PCB manufacturer, today hosted an investor conference and announced its consolidated financial results for the fourth quarter of 2022, with revenue of NT\$52,902 million and net income of NT\$6,857 million. For the full year of 2022, revenue reached NT\$171,356 million and net income was NT\$20,535 million, both setting record highs again.

According to Chairman Charles Shen, 2022 was a fruitful year for Zhen Ding. The company achieved record revenue and net profit, and the developments of each product line were all on schedule. In 2023, the macro environment remains challenging, and the first half of this year will be a traditional off-season. The company targets the full year revenue to be about flat year-on-year based on current estimate. Overall, Zhen Ding continues to focus on the demand for high-end PCBs. Especially with the gradual ramp-up of IC substrate capacity and the orders for high-end automotive and server boards from key customers, it is optimistic to deliver stable growth in the mid to long term.

For the fourth quarter of 2022, Zhen Ding's revenue was NT\$52,902 million, up 5.8% QoQ and down 6.3% YoY. Despite the revenue was affected by the lockdown measures and the supply chain disruption in China, its product mix continues to shift to higher end products and its operating efficiency of four product lines (multi-layer RPCB, FPC, HDI and IC substrate) all improved materially. As a result, compared with the same period of prior year, gross margin increased by 4.7 percentage points to 26.3%, and operating margin increased by 1.7 percentage points to 16.4%. Net income decreased by 0.1% YoY to NT\$6,857 million, and net income attributable to the parent company decreased by 3.4% YoY to NT\$4,705 million, with earnings per share being NT\$4.98.

For the full year of 2022, Zhen Ding's consolidated revenue increased by 10.5% YoY to NT\$171,356 million, achieving its target of double-digit growth and reaching a record high. Its revenue for the four key applications, including Mobile Communication, Computer and Consumer Electronics, Automotive/ Base Station/Server, and IC Substrate, all delivered year-on-year growth. Compared with the prior year, gross margin increased by 3.6 percentage points to 23.3%, and operating margin increased by 2.9 percentage points to 13.1%; both margins set the highest record in company's history. Net income for the year increased by 50.0% YoY to NT\$20,535 million, and net income attributable to the parent company increased by 47.1% YoY to NT\$14,197 million, with earnings per share reaching NT\$15.02.

Chairman Shen pointed out that, while the demand for consumer electronics has not yet recovered in the near term, Zhen Ding will continue with its current pace of co-developing high-end products with its customers, and it has ongoing projects in the fields of AR/VR, low-orbit satellites, autopilot system and AI. To fulfill the mid-to long-term demand from customers, the company's capacity

expansion plans are all on schedule. Its first ABF fab in Shenzhen has entered mass production in small volume in February, its high-end HDI fab in Huai'an Park 3 has been in the phase of equipment installation, and its Kaohsiung Luzhu Science Park plant has completed the building construction.

In addition, Chairman Shen emphasized that Zhen Ding's strategy is EPS + ESG. The company has been actively promoting sustainable development and has achieved a number of outstanding results in ESG performance last year. In the recently released Sustainability Yearbook 2023 by S&P Global, Zhen Ding was selected as a member of the Yearbook for the first time with a score of 71 points, among over 7,800 companies participating in the S&P Global Corporate Sustainability Assessment (CSA) around the world. Additionally, Zhen Ding was included in the 2023 Bloomberg Gender Equality Index, becoming the 1st PCB company included in the index. This demonstrated that the company has spared no effort in enhancing the transparency of gender equality disclosures and promoting a diverse and inclusive workplace environment.

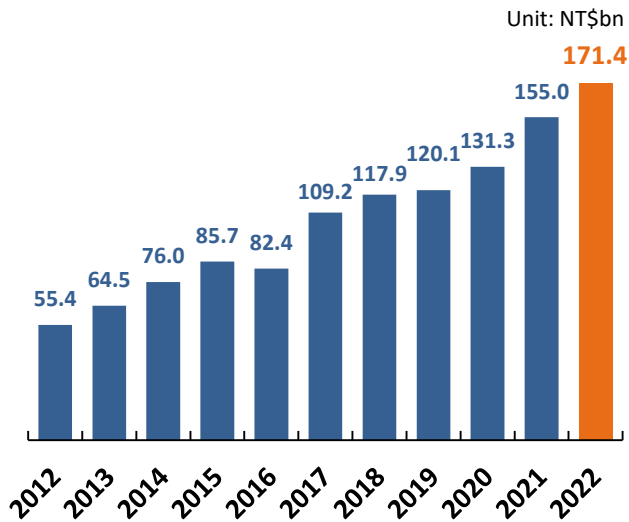
According to Chairman Shen, since Zhen Ding initiated the One ZDT strategy in 2015, it has maintained its pace of driving growth. In 2022, its global PCB market share has further increased to 7.0% from 6.8% in the prior year. Chairman Shen emphasized that Zhen Ding will continue to execute its mid-to long-term expansion plans and aim to achieve its goal of exceeding 10% market share by 2030.

Unit: NT\$ million, except for EPS

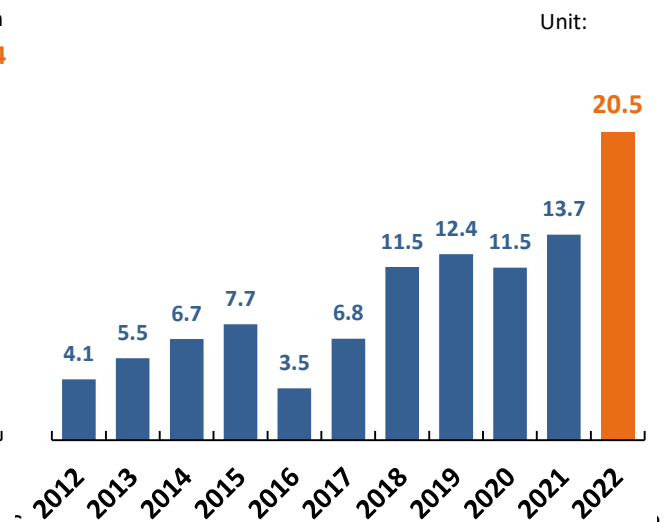
Period	4Q22	3Q22	QoQ%	4Q21	YoY%	2022	2021	YoY%
Revenue	52,902	50,004	+5.8%	56,442	-6.3%	171,356	155,022	+10.5%
Gross Profit	13,913	12,985	+7.1%	12,167	+14.4%	39,926	30,539	+30.7%
Operating Profit	8,694	8,067	+7.8%	8,303	+4.7%	22,447	15,781	+42.2%
Net Income	6,857	7,172	-4.4%	6,861	-0.1%	20,535	13,694	+50.0%
Net Income to Parent	4,705	4,985	-5.6%	4,870	-3.4%	14,197	9,651	+47.1%
EPS	4.98	5.27	-5.5%	5.15	-3.3%	15.02	10.21	+47.1%
Gross Margin	26.3%	26.0%	+0.3ppts	21.6%	+4.7ppts	23.3%	19.7%	+3.6ppts
Operating Margin	16.4%	16.1%	+0.3ppts	14.7%	+1.7ppts	13.1%	10.2%	+2.9ppts
Net Margin	13.0%	14.3%	-1.3ppts	12.2%	+0.8ppts	12.0%	8.8%	+3.2ppts

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

Zhen Ding's Revenue Trend



Zhen Ding's Net Income Trend



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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