

# Zhen Ding Technology Holding (4958 TT)

## 1H25 Investor Conference

August 12, 2025



# Safe Harbor Notice

- 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

## 1H25 Financial Results

Eddie Chiang, Chief Financial Officer

2

## Company Strategy

Charles Shen, Chairman & Group Chief Strategy Officer

3

## Operation Planning & Execution

D. J. Lee, Director & Chief Operating Officer

# 1H25 Financial Results

Eddie Chiang, Chief Financial Officer

# 1H25 Financial Results

Unit: NT\$ million, unless otherwise stated

	1H25	1H24	YoY (%)
Revenue	78,285	64,922	+20.6%
Gross Profit	12,896	9,584	+34.6%
<b>Gross Margin</b>	<b>16.5%</b>	<b>14.8%</b>	<b>+1.7ppts</b>
Operating Expense	9,415	9,485	-0.7%
Operating Profit	3,481	99	3,415.1%
<b>Operating Margin</b>	<b>4.4%</b>	<b>0.2%</b>	<b>+4.3ppts</b>
Non-Operating Income/Expense	248	1,908	-87.0%
Net Income	2,413	2,103	+14.7%
<b>Net Margin</b>	<b>3.1%</b>	<b>3.2%</b>	<b>-0.1ppts</b>
Net Income to Parent	1,237	1,463	-15.4%
<b>EPS (NT\$) <sup>(1)</sup></b>	<b>1.30</b>	<b>1.55</b>	
R&D Expense	5,173	5,493	-5.8%
Depreciation and Amortization	9,255	8,577	+7.9%
Cash Inflow Generated from Operations	18,254	10,115	+80.5%
Cash and Cash Equivalents <sup>(2)</sup>	74,194	69,461	+6.8%
ROE(%) <sup>(3)</sup>	<b>3.4%</b>	<b>3.1%</b>	+0.3ppts

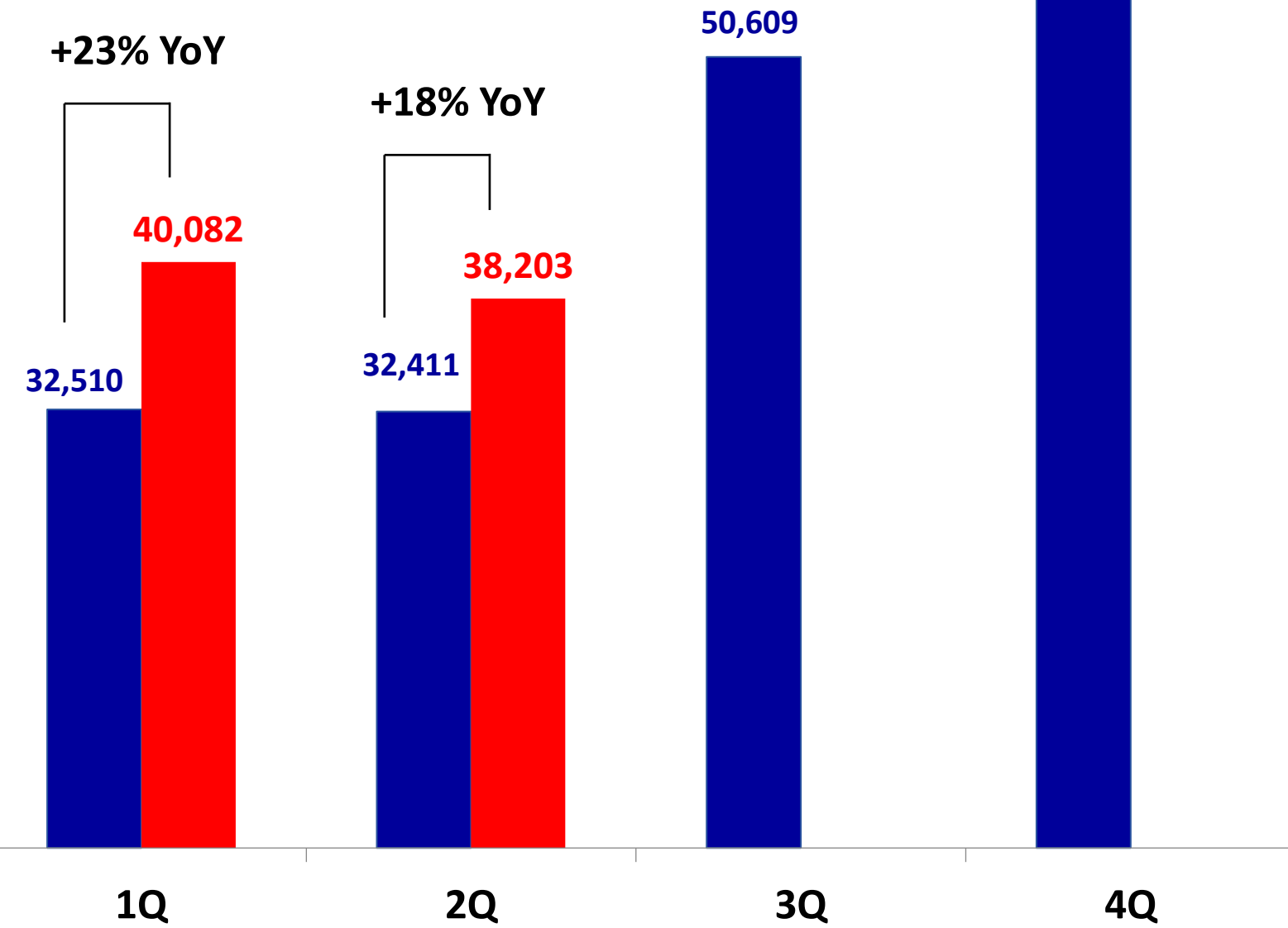
Note : (1) Weighted Average Shares outstanding as of 1H25: 954,559 thousand shares (actual issuance 956,652 thousand shares, with 2,093 thousand shares held in treasury) (2) Including current financial assets at amortized cost (time deposits, etc.) (3) ROE is annualized data calculated based on the average of equity attributable to owners of parent

# Quarterly Operation Results

## Revenue

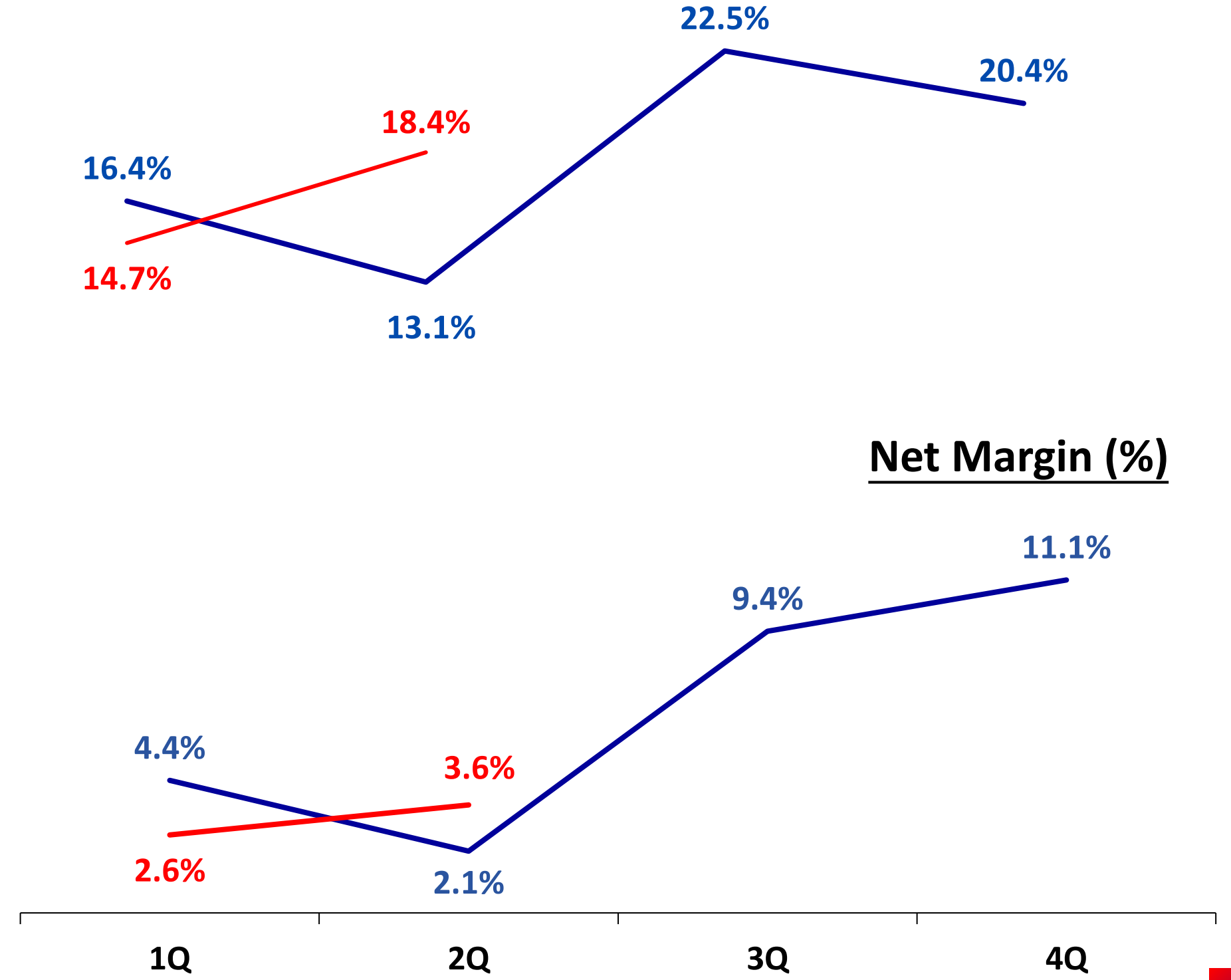
■ 2024 ■ 2025

Unit: NT\$ million



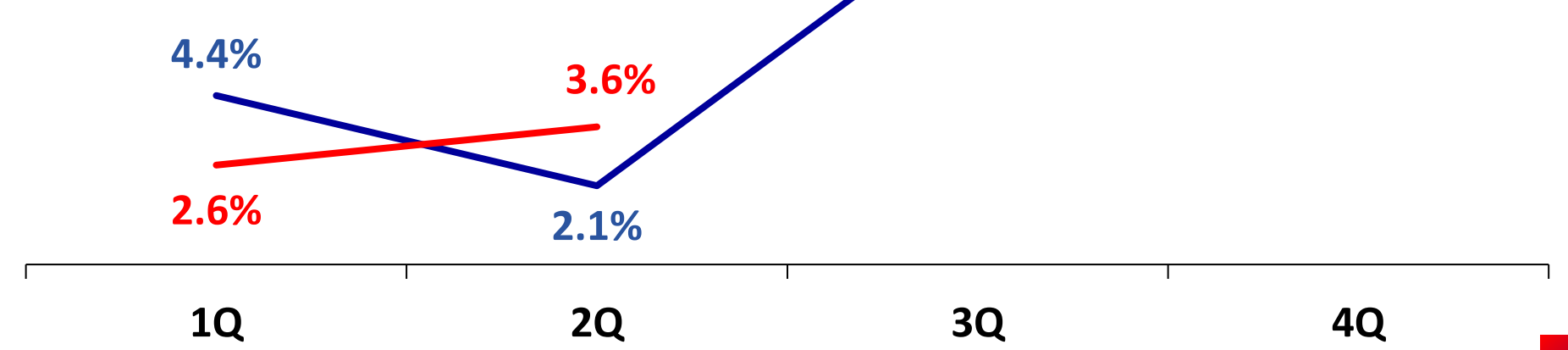
## Gross Margin (%)

— 2024 — 2025



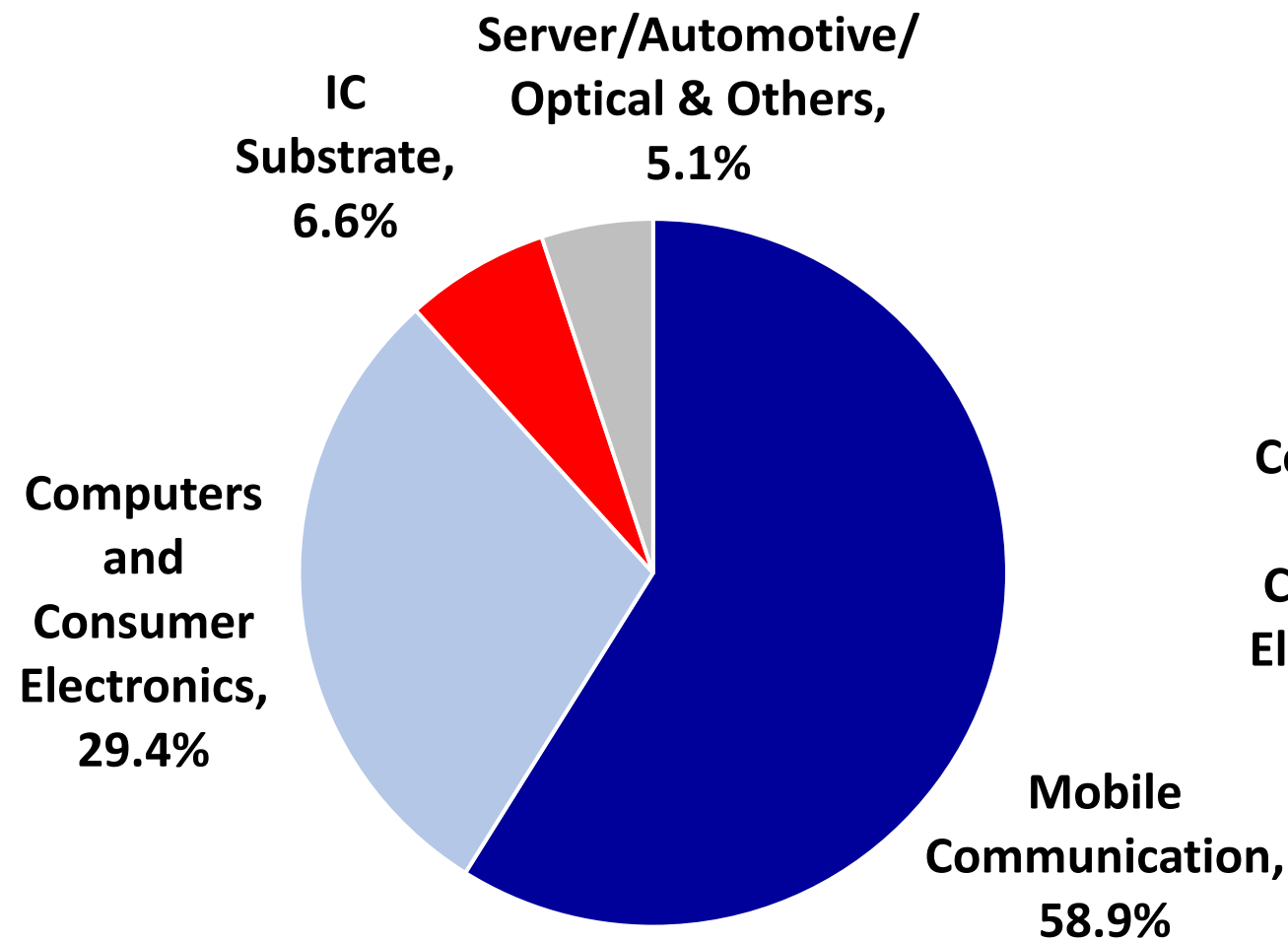
## Net Margin (%)

— 2024 — 2025

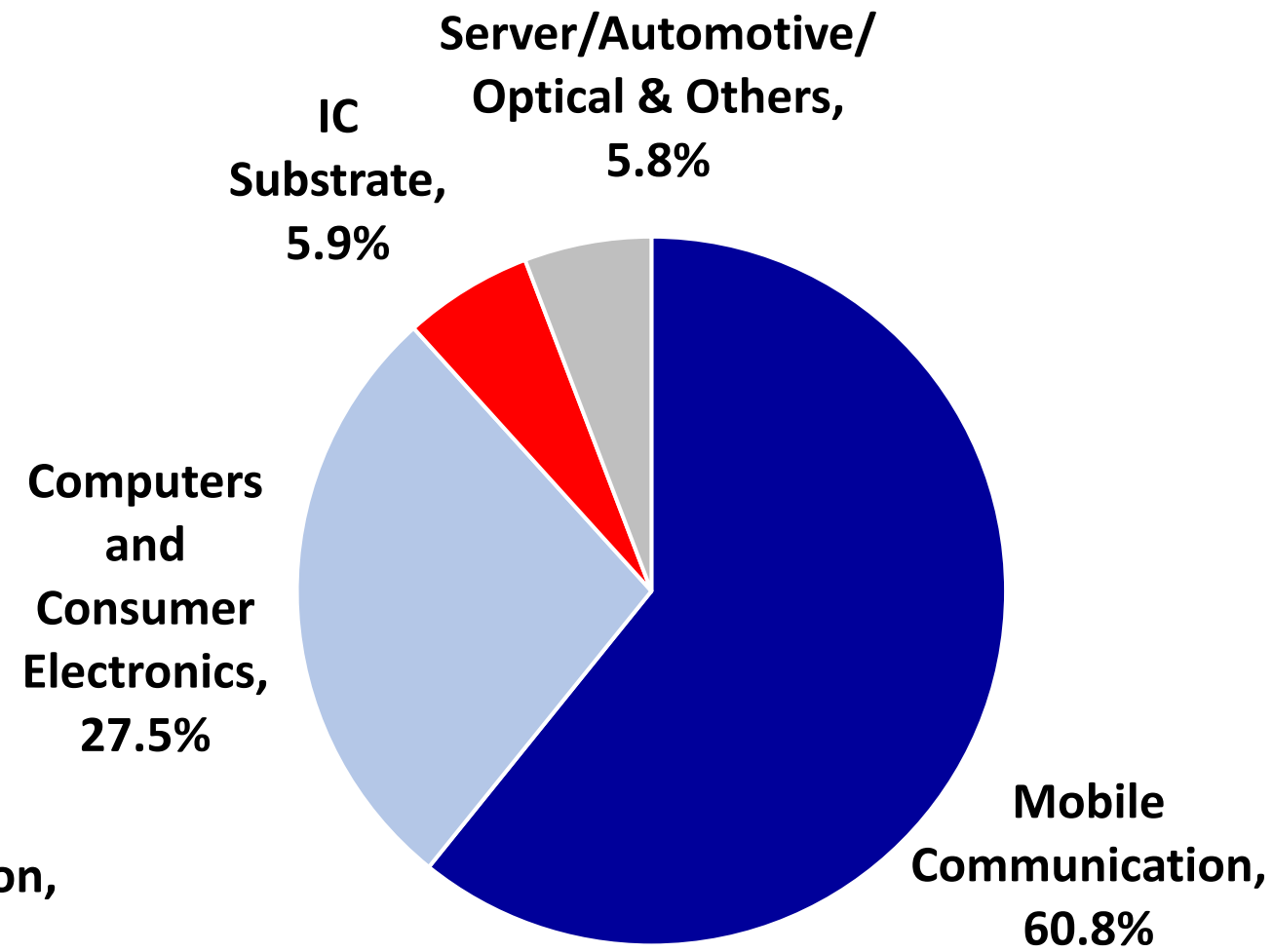


# Revenue Breakdown – By Applications

**1H25 Revenue NT\$78.3bn**



**1H24 Revenue NT\$64.9bn**



Applications	1H25 Revenue YoY%
Mobile Communication	+16.9%
Computers and Consumer Electronics	+29.1%
IC Substrate	+34.7%
Automotive/Server/Optical & Others	+4.9%

# Consolidated Balance Sheet and Key Indices

Unit: NT\$ million

	2025-6-30		2024-6-30		Change	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents <sup>(2)</sup>	74,194	30.6%	69,461	28.2%	4,732	+2.5ppts
Notes & Accounts Receivable	18,409	7.6%	22,317	9.1%	(3,907)	-1.4ppts
Inventories	16,178	6.7%	18,784	7.6%	(2,606)	-0.9ppts
Property, Plant and Equipment <sup>(3)</sup>	109,642	45.3%	112,558	45.7%	(2,916)	-0.4ppts
<b>Total Assets</b>	<b>242,172</b>	<b>100.0%</b>	<b>246,563</b>	<b>100.0%</b>	<b>(4,392)</b>	
Debt	55,438	22.9%	54,590	22.1%	848	0.8ppts
Notes & Accounts Payable	41,265	17.0%	37,251	15.1%	4,014	1.9ppts
<b>Total Liabilities</b>	<b>109,026</b>	<b>45.0%</b>	<b>107,321</b>	<b>43.5%</b>	<b>1,705</b>	<b>1.5ppts</b>
<b>Total Equity</b>	<b>133,145</b>	<b>55.0%</b>	<b>139,242</b>	<b>56.5%</b>	<b>(6,097)</b>	<b>-1.5ppts</b>
<b>Key Indices</b>						
A/R Turnover Days	57		72		(15)	
Inventory Turnover Days	51		61		(10)	
Current Ratio (x)	1.54		1.76		(0.22)	
PPE Turnover (x) <sup>(4)</sup>	1.40		1.17		0.23	

Note : (1) Weighted Average Shares outstanding as of 1H25: 954,559 thousand shares (actual issuance 956,652 thousand shares, with 2,093 thousand shares held in treasury) (2) Including current financial assets at amortized cost (time deposits, etc.) (3) PPE includes investment property (4) PPE Turnover = annualized net revenue / average net property, plant and equipment

# 2015-2024 Financial Summary

Unit: NT\$ million

Period	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	85,738	82,393	109,238	117,913	120,068	131,279	155,022	171,356	151,398	171,664
Gross Profit	16,427	12,542	17,833	26,061	27,222	26,584	30,537	39,888	27,459	32,461
Net Income	7,731	3,456	6,772	11,536	12,402	11,508	13,694	20,535	9,432	13,096
Net Income to Parent	7,731	3,456	5,172	8,448	8,685	8,095	9,651	14,197	6,189	9,180
Depreciation & Amortization	4,850	5,295	5,679	6,820	7,955	8,405	11,875	14,638	16,323	17,749
EPS (NT\$)	9.80	4.29	6.43	10.50	9.93	8.90	10.21	15.02	6.55	9.67
DPS (NT\$)	4.50	2.20	3.30	4.46	4.50	4.50	5.00	6.00	3.275	4.80
Payout Ratio (%)	46%	51%	51%	43%	45%	51%	49%	40%	50%	50%
Cash and Cash Equivalents*	31,572	30,241	33,296	49,154	43,071	46,775	35,179	57,599	65,970	79,830
Property, Plant and Equipment	32,074	32,262	36,681	41,913	46,243	68,177	86,073	104,814	109,965	113,462
Capital	8,047	8,047	8,047	8,047	9,022	9,470	9,470	9,470	9,470	9,567
ROE (%)	20.82%	8.59%	14.49%	17.30%	14.72%	11.84%	12.59%	16.67%	7.10%	9.15%
Debt Ratio (%)	53.70%	59.72%	55.33%	44.25%	35.41%	42.56%	42.01%	42.87%	44.67%	42.85%

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

# Company Strategy

Charles Shen, Chairman & Group Chief Strategy Officer

# Business Review and Outlook

1

**1H25 revenue up 20.6% YoY, reaching a record high for the same period, with improvements in gross margin and operating margin.**

Zhen Ding's monthly revenue in the first half of the year set new records for six consecutive months. All four major application segments, including Mobile Communication, Computers & Consumer Electronics, Server/Automotive/Optical, and IC Substrates, achieved YoY growth, with IC Substrates delivering the highest growth rate, in line with our previous expectations.

Supported by higher capacity utilization and disciplined operating expense control, and despite a NT\$678 mn YoY increase in depreciation and amortization, Zhen Ding's 1H25 GM rose 1.7pp YoY to 16.5%, and OPM climbed 4.3pp to 4.4%, reflecting ongoing operational efficiency improvements. In non-operating items, we recorded a FX loss of NT\$639 mn in 1H25, compared with a FX gain of NT\$1,195 mn in 1H24, representing a difference of NT\$1,834 mn. Despite the FX impacts, we still achieved a net income of NT\$2,413 mn in 1H25, up 14.7% YoY, maintaining solid operating performance.

2

**2025 revenue growth in USD terms to outpace industry average; all four major applications set to accelerate in 2026.**

Customer inventory buildup for new products is progressing as planned in the second half, and second-half performance is expected to surpass the first half. On a U.S. dollar basis, full-year 2025 revenue growth is projected to exceed the industry average.

2026 will be a pivotal growth year for Zhen Ding, supported by strong opportunities in AI smartphones, foldable phones, and AI glasses, together with key customer wins in high-end AI servers and rising demand for IC substrates. Collectively, these drivers are expected to accelerate growth across all four major application segments.

# Business Review and Outlook (continued)

3

## One ZDT strategy gains traction; leveraging advanced HDI and HLC capabilities to drive a rising revenue contribution from AI servers

In response to the rapid evolution of high-end AI server technologies, Zhen Ding is among the few companies capable of providing integrated OAM/UBB technology solutions. We have mature technologies and proven mass production capabilities in MSAP, HDI, and HLC, and, by combining these with advanced substrate expertise and deep insights into semiconductor industry trends, is able to co-develop next-generation high-end products with its customers.

Zhen Ding's accumulated technical expertise in AI servers and strong capabilities in critical processes have been recognized by key customers. The revenue contribution from AI servers is expected to gradually increase going forward.

4

## Addressing customer demand for high-end AI products by increasing capex to capture future growth opportunities

To address increasing customer demand for high-end AI products, we plan to increase our capital expenditures in 2025 and 2026 to over NT\$30 billion each year, with nearly 50% allocated to expanding high-end HDI and HLC capacity to capture related growth opportunities.

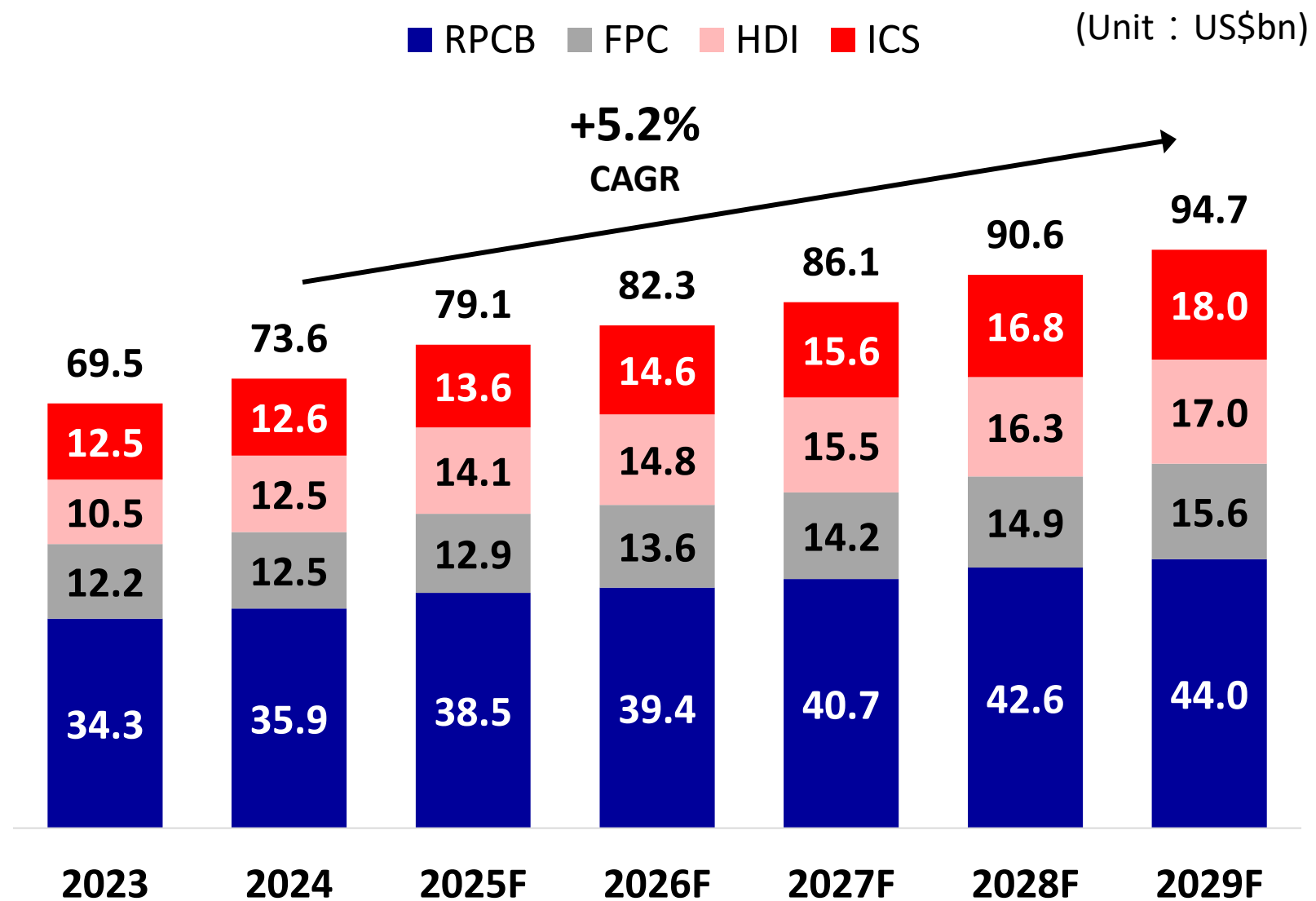
In China, we are expanding high-end HDI and HLC capacity for AI products this year, as well as debottlenecking high-end FPC capacity. In Thailand, Fab 1 has been in trial production since May 8 and has already obtained qualifications from major customers in the server and optical sectors, with small-scale mass production expected to begin in 4Q25; construction of Fab 2 is also progressing on schedule. In Kaohsiung AI Park, installation of high-end ABF substrate and HLC+HDI equipment is underway, with trial production planned by year-end.

# AI as a Key Growth Driver for the PCB Industry; Zhen Ding Leveraging Full-Product Advantage to Extend Its Lead in the AI Era

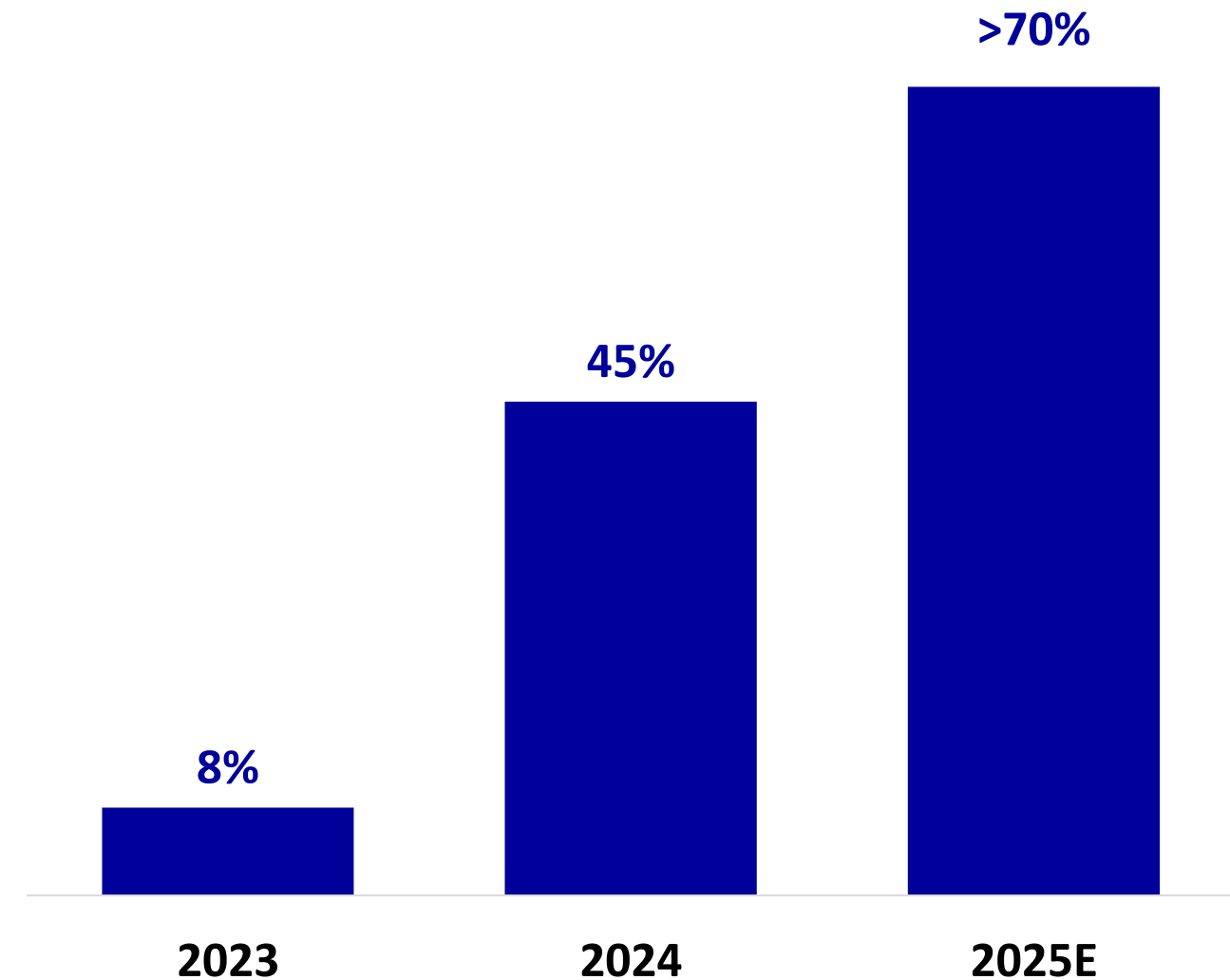
All PCB Categories Benefit from AI-Driven High-Performance Requirements and Product Innovation; AI to Remain the Core Growth Driver for the PCB Industry in the Coming Years

Zhen Ding Delivers End-to-End Solutions across Cloud, Channel & Edge Applications in the AI Era, with a Growing AI Revenue Contribution

**Global PCB market size by product category**

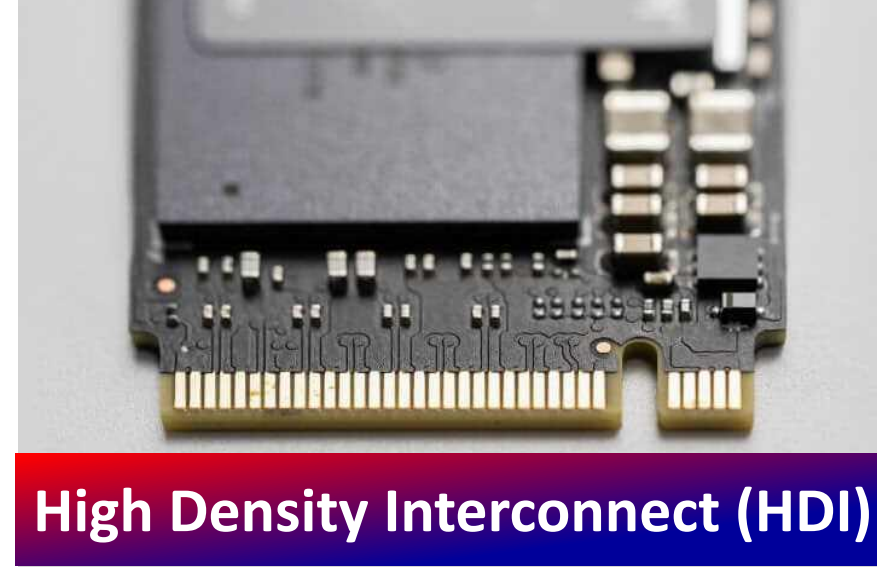
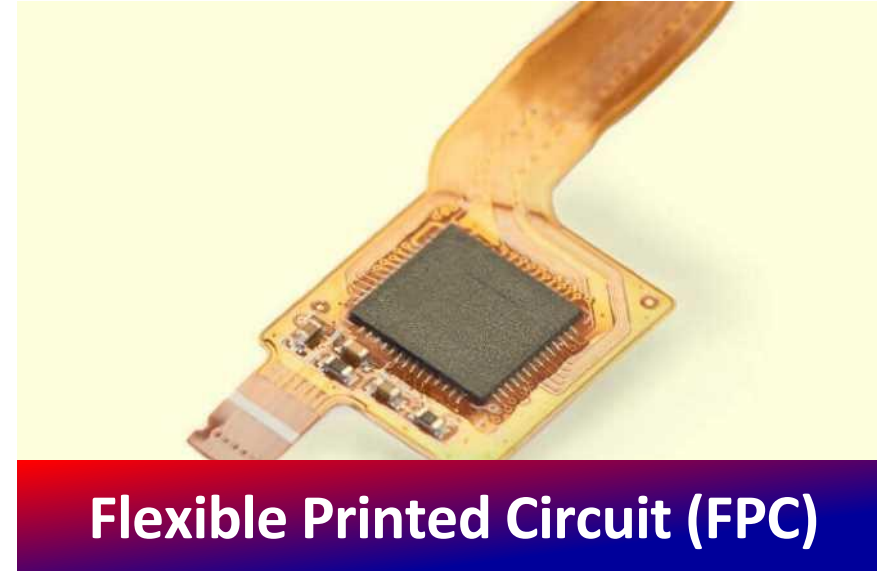


**ZDT: Revenue Contribution for AI Related Products**



Source: Prismark (2025/6); 2026~28's data is calculated based on Prismark's estimation.

# Years of Development Bearing Fruit; Zhen Ding's Four Product Lines Poised for Continued Growth



2030 Target **Global Top 5**

2030 Target **Maintain Global #1**

2030 Target **Global #1**

2030 Target **Global Top 10**

Deepening collaboration with customers and supply chain partners  
to deliver above-industry-average revenue and profit growth

# Global Production Footprint Continues to Expand, with Benefits Expected to Materialize Starting Next Two Years

## Capacity Expansion Plan



Mainland China

- In 2025, we will expand advanced HDI and HLC capacity for AI products at the Huai'an campus, and debottleneck high-end FPC capacity.



Thailand Prachinburi Park

- Fab 1 has been in trial production since May 8 and has already obtained qualifications from major customers in the server and optical sectors, with small-scale mass production expected to begin in 4Q25; construction of Fab 2 is also progressing on schedule.



Kaohsiung AI Park

- To invest NT\$8bn in equipment to establish a full-process FCBGA mass production facility for advanced packaging.
- To invest NT\$2bn in equipment to build HDI+HLC PCB production capacity.
- FPC production lines have begun contributing to revenue.

## Strategy to Enhance Operational Efficiency

- Each fab will implement smart manufacturing and digital transformation in phases to improve operational efficiency, increase per capita productivity, and further enhance overall profitability.

- In addition to certified customers, several leading global server and optical customers are in active qualification; Thailand fab 1 focuses on high-end RPCB/HDI, with mass production to enhance product mix and margins.

- Plan to manufacture ultra-high-end products (30L–80L).
- Installation of high-end ABF substrate and HLC+HDI equipment is underway, with trial production planned by year-end, and small-scale mass production in 1Q26.



# Operation Planning & Execution

D. J. Lee, Director & Chief Operating Officer

# Business Update of Edge AI Applications



AI Smartphone/Foldable Phone



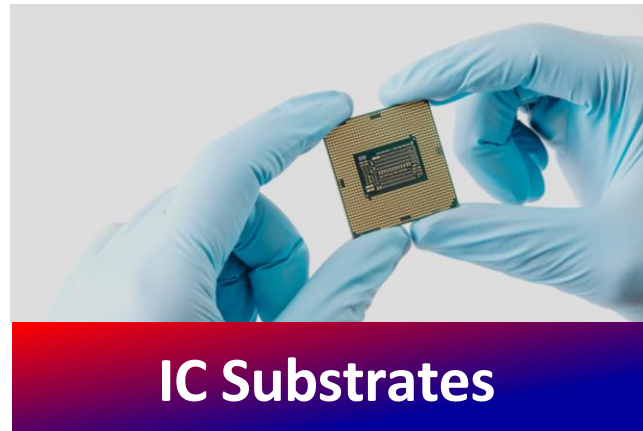
Smart Glasses/VR/AR



Humanoid Robot

**Next year, AI smartphones, foldable phones, and AI glasses to deliver greater contributions, while actively expanding into humanoid robot opportunities**

- AI trends driving ongoing customer product innovation and upgrades, raising PCB manufacturing technology requirements. Zhen Ding holds industry-leading technology in edge AI products and expects AI smartphones, foldable phones, and AI glasses to deliver more significant growth next year.
- Humanoid robots have high technical requirements for PCBs, primarily used in core functions such as the main control system, sensor modules, power management, and joint actuators. Zhen Ding has established partnerships with multiple Mainland China and international customers, advancing product development and prototyping to meet high-end PCB requirements with high-precision and high-density interconnect solutions.

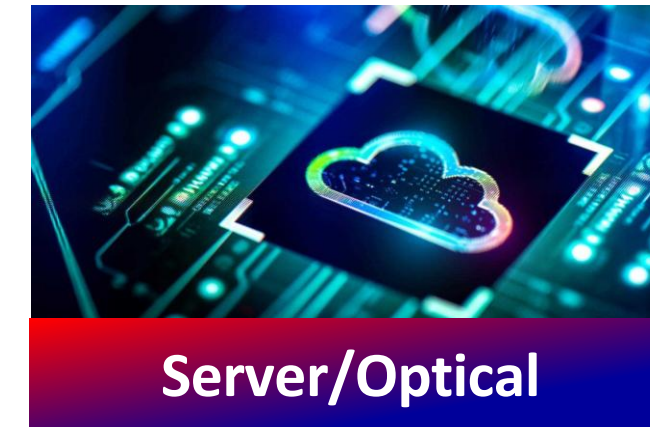


## Rising Demand for High-End Applications; Revenue Growth Continues to Outpace Industry Average

IC substrate revenue increased by 34.7% YoY in 1H25, outpacing the industry average. As industry supply-demand dynamics continue to improve, IC substrates are expected to remain Zhen Ding's fastest-growing business among its four major application segments.

For ABF substrates, sampling demand from AI data center customers has increased significantly. Zhen Ding has the technical capabilities required for high-end applications (body sizes exceeding 120mm and up to 26-28 layers), enabling it to meet the stringent requirements of advanced ABF substrates.

For BT substrates, product upgrades in edge AI are driving higher demand for high-end BT substrates, with current capacity utilization at 90% and revenue continuing to grow steadily.



## Following Customer Certification, Contribution from the New Thailand Fab Will Gradually Increase Next Year

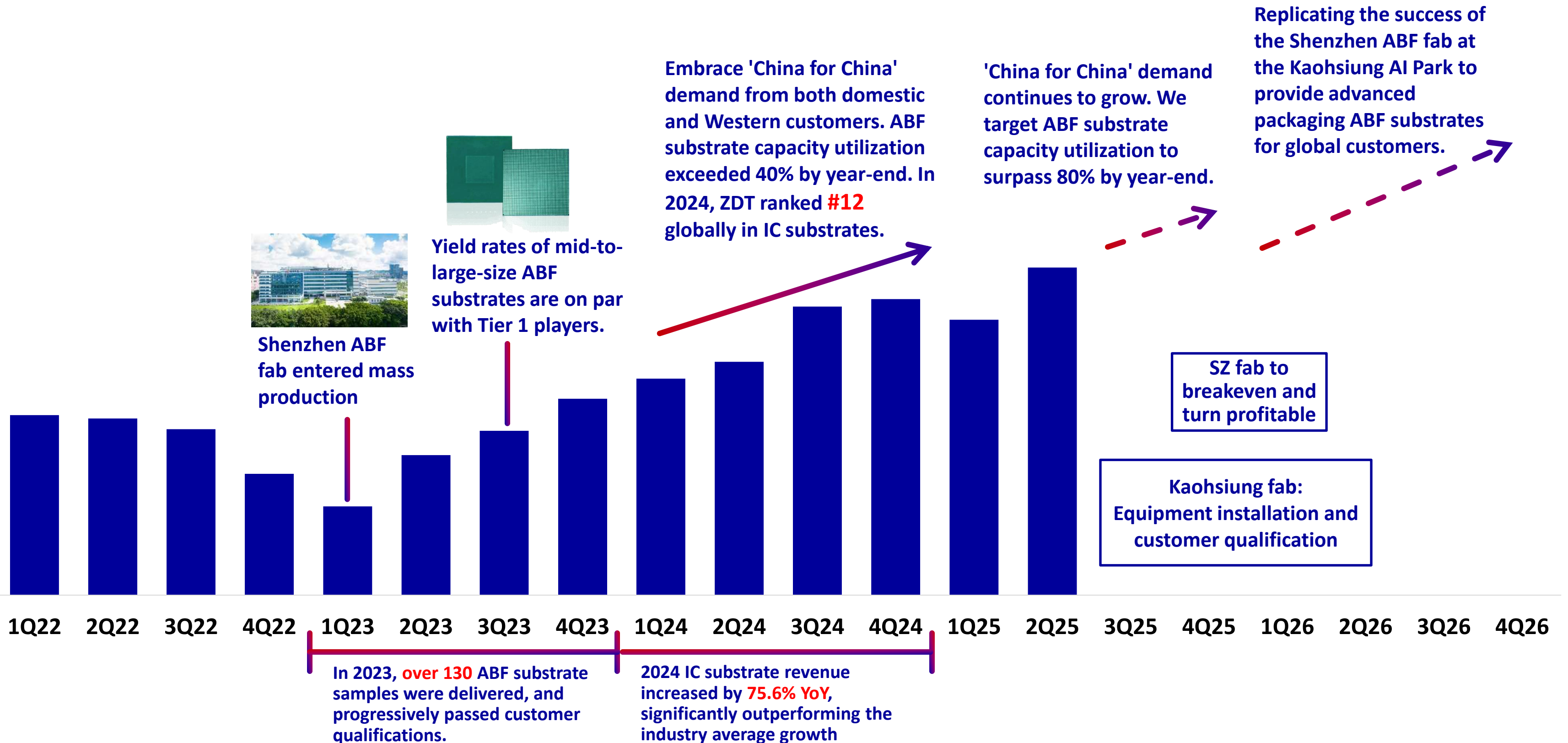
Orders for high-end servers and optical are increasing. Thailand fab 1 has passed qualification with several customers and is expected to begin small-volume production in 4Q25, enabling it to meet customer demand for related products next year.

For AI servers, Zhen Ding is active in both GPU and ASIC platforms, with a strategic focus on Advanced HDI and HLC products. Contributions from new customers and orders are expected to scale up starting next year.

For optical, revenue is expected to double next year with the mass production of 800G/1.6T products.

# Embracing 'China for China' Demand, While Expanding the Outside China Customer Base with Advanced Packaging ABF Substrates

## ZDT's IC Substrate Revenue Trend

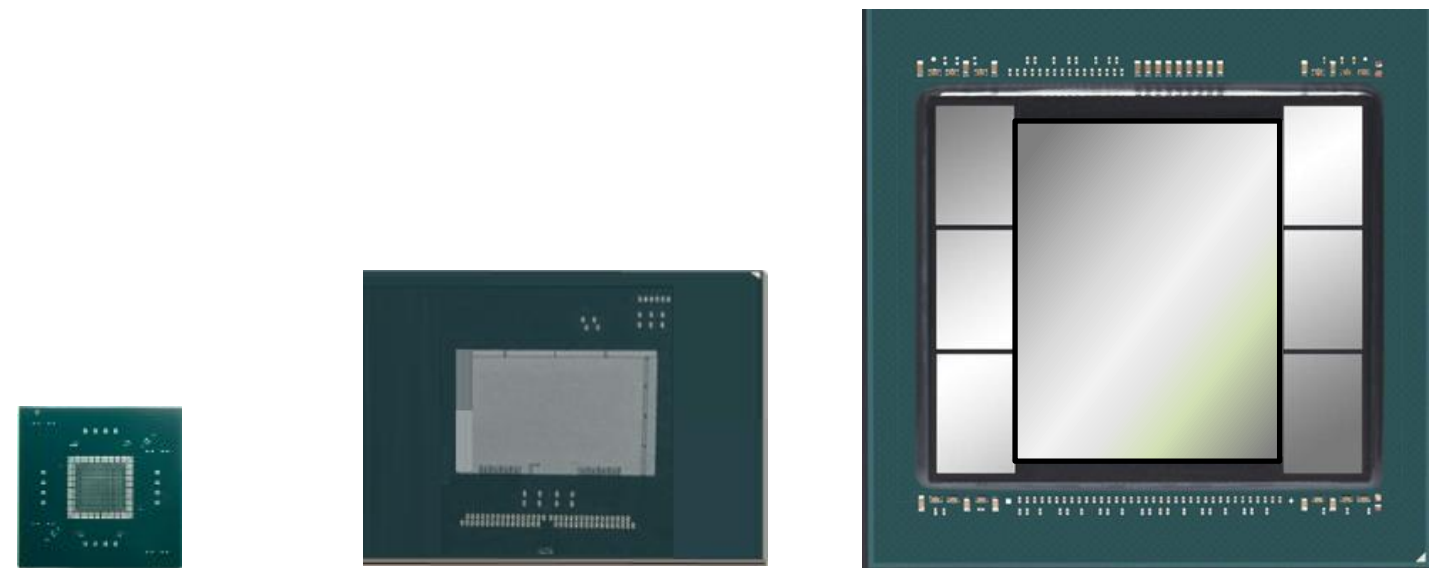


# ZDT's ABF Substrate Technology Capabilities are On Par with Tier 1 Players; We Actively Secure Global Leading Semiconductor Customers

## ABF Substrate Development Trends

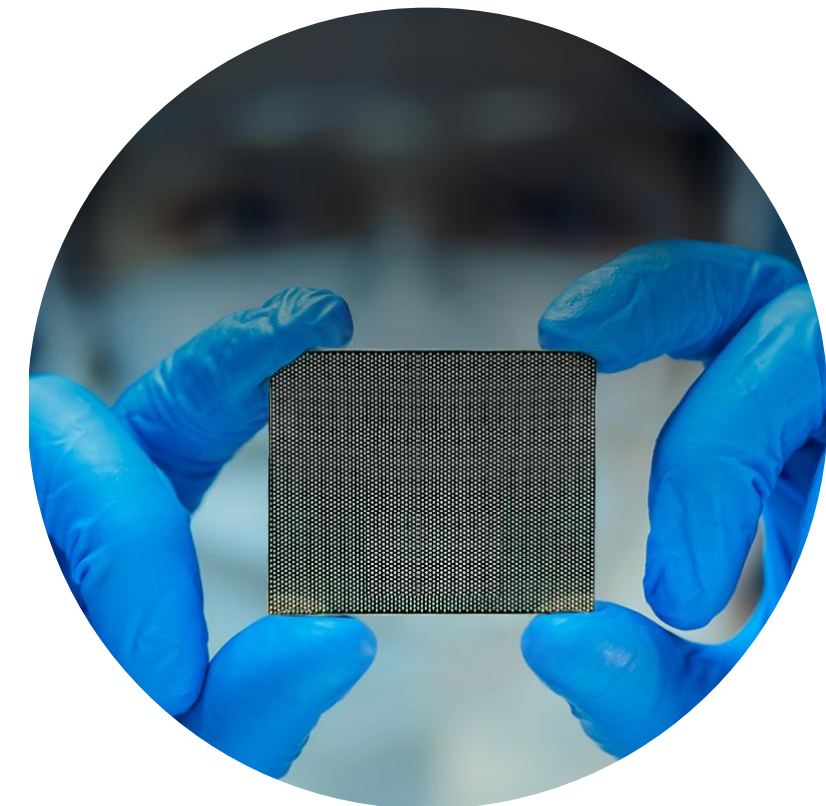
**High** layer counts, **Large** body size, **Flat** surface, **Accurate** production precision

Our technology capabilities have reached an industry-leading level

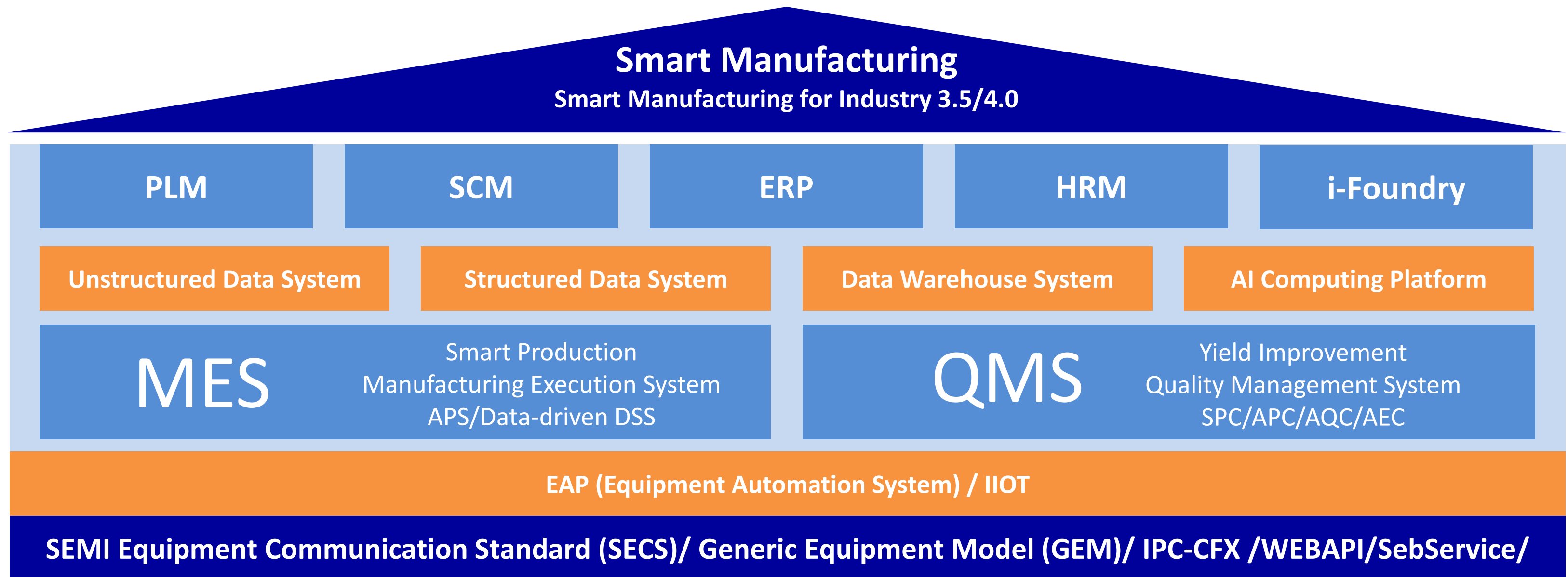


2005                      2020                      2026

Body Size (mm)	31 x 31	75 x 60	120 x 140+	<b>x20+</b>
Layer count (L)	6	20	28+	<b>x4+</b>
Bump Count	1K	100K	300k+ ~ 500k+	<b>x300+</b>



# Leverage Smart Manufacturing to Increase Per Capita Productivity and Enhance Profitability



Lamination



Laser



Laser Direct Imaging (LDI)



Vertical Develop



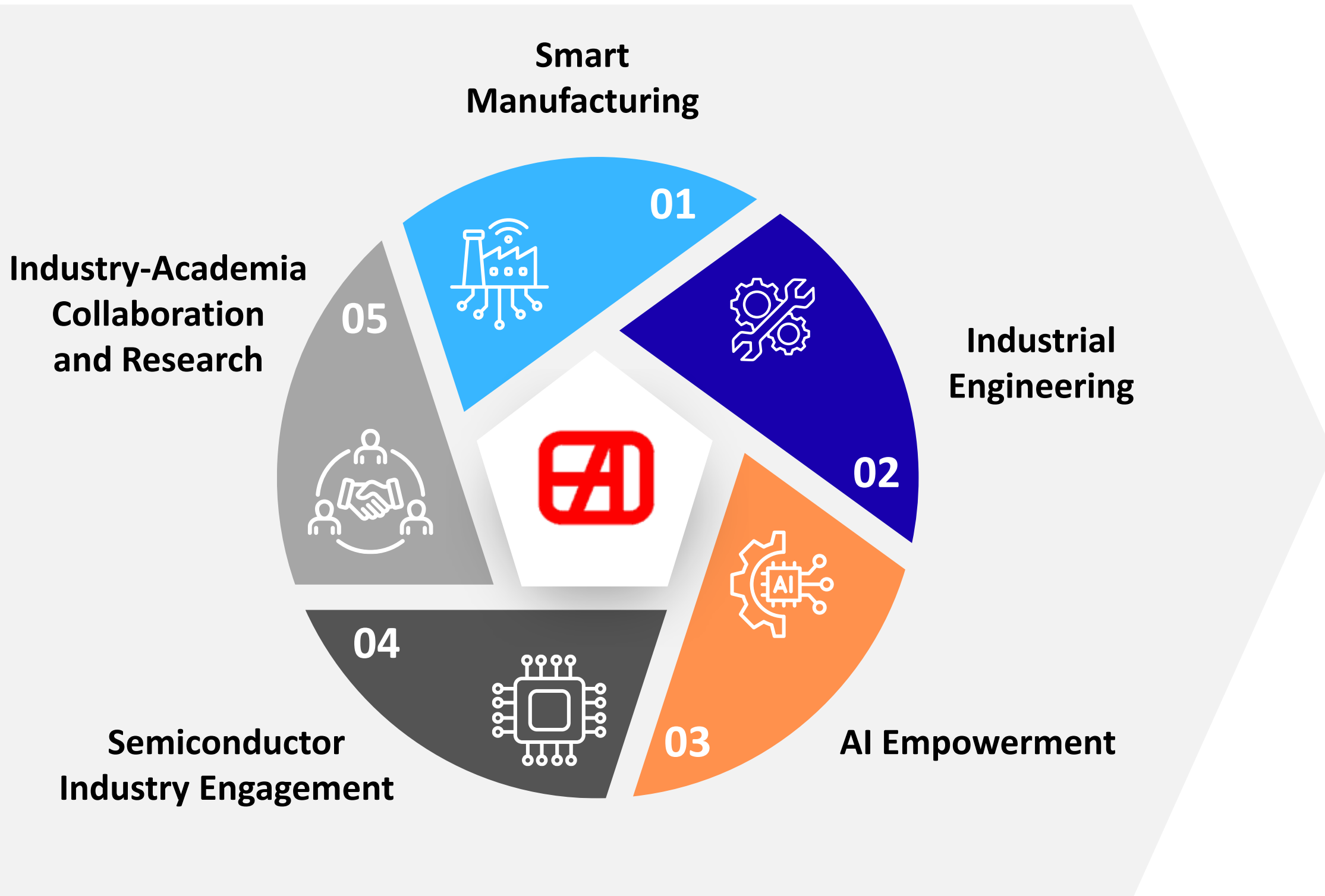
Solder Mask



Inspection

Operational Digitization, Platform Digitalization, Platform Intelligence, and Intelligent Implementation

# Empowering the Team to Strengthen Zhen Ding's Operational Resilience and Sustainable Competitiveness



**Enhance internal and external resource integration to achieve team empowerment and structural optimization.**



**Thank You**