

Zhen Ding Reported 1Q24 EPS of NT\$1.03, Reaching the Second Highest for the Same Period, and the Company is Expected to Grow Moderately in 2024

Zhen Ding Technology Holding Limited (Ticker: 4958), a global leading PCB manufacturer, today hosted an investor conference and announced its consolidated financial results for the first quarter of 2024. First quarter revenue was NT\$32,510 million, net income was NT\$1,436 million, net income to parent was NT\$977 million, and EPS came in at NT\$1.03, all marking the second highest for the same period in the company's history.

For the first quarter of 2024, Zhen Ding's revenue was NT\$32,510 million, up 3.1% YoY. Its revenue for Computers/Consumer Electronics and Automotive/Server/Base Station both achieved double-digit YoY growth, while revenue for IC substrates demonstrated triple-digit growth, reaching a record high for a single quarter. Driven by the adjustments in product mix and efficiency improvement, its gross margin was 16.4%, an increase of 0.3 percentage points from the previous year. Net income increased by 66.4% YoY and net income to parent increased by 94.1% YoY, with EPS of NT\$1.03.

According to Chairman Charles Shen, Zhen Ding is optimistic about achieving double-digit revenue growth in servers and automotive applications in the coming years. AI server products have started contributing to its revenue since 2023, with increasing customer order allocations in 2024. For automotive applications, it has developed products for ADAS radar, domain control boards, and power batteries. Overall, the company expects a moderate growth in 2024 with continued adjustments in product mix, and expects growth to accelerate in 2025.

In addition, Chairman Shen pointed out that Zhen Ding's IC substrate business has entered a phase of rapid growth, with revenue from IC substrate setting a record high in the first quarter of 2024. For BT substrates, the utilization rate has exceeded 80%, and the business has turned profitable for a single quarter. For ABF substrates, revenue has increased significantly on a low base of last year, and both revenue and utilization rate are expected to increase quarter by quarter this year. Zhen Ding maintains its goal of achieving a >50% revenue CAGR for IC substrate during 2023-2027 and aims to become one of the global top 5 companies in the IC substrate market by 2030.

In the mobile communication, computer, and consumer electronics areas, Zhen Ding has not only shipped products to multiple customers for foldable phones, but also actively collaborated with customers to develop products for AI smartphones and AI PCs. It expects the demand for high-end PCB with fine lines and high layer counts will continue to grow in the future, which may further strengthen Zhen Ding's industry-leading position.

Looking ahead, Zhen Ding remains optimistic about the industry's mid-to long-term trend and continues to invest in research and development and capital expenditures. Chairman Shen emphasizes that Zhen Ding has been adhering to the strategy of "Early Deployment," proactively planning its global

manufacturing footprint. The construction of the new fab in Prachinburi Province, Thailand is progressing according to plan, with the goal of trial production in 1H25 and mass production in small scale in 2H25. The Phase 1 of Thailand fab will focus on server, automotive, and optical applications, providing high-end RPCB/HDI products. Under the One ZDT strategy, the more complete product portfolio and manufacturing footprint will bring new growth opportunities to the company, reinforcing its leading position in the PCB industry.

Unit: NT\$ million, except for EPS

Period	1Q24	1Q23	YoY
Revenue	32,510	31,545	3.1%
Gross Profit	5,337	5,075	5.2%
Operating Profit	743	1,219	-39.1%
Net Income	1,436	863	66.4%
Net Income to Parent	977	504	94.1%
EPS (NT\$)	1.03	0.53	94.3%
Gross Margin	16.4%	16.1%	+0.3ppts
Operating Margin	2.3%	3.9%	-1.6ppts
Net Margin	4.4%	2.7%	+1.7ppts

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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