

Zhen Ding Reported Its 1Q25 Results, with Revenue Hitting a Record High for the Same Period and Operating Profit Growing over 40% YoY.

Zhen Ding Technology Holding Limited (Ticker: 4958), a global leading PCB manufacturer, today announced its consolidated financial results for the first quarter of 2025. Revenue for the first quarter of 2025 was NT\$40,082 million, up 23.3% YoY, reaching a record high for the same period. Operating profit reached NT\$1,056 million, up 42.2% YoY. Net income was NT\$1,025 million, net income to parent was NT\$632 million, and EPS was NT\$0.66.

According to Zhen Ding, revenue for the first quarter marked a record high for the same period, with double-digit growth across all four major applications, including Mobile Communications, Computer and Consumer Electronics, Server/Automotive/Optical, and IC substrates, demonstrating strong competitiveness of its diversified product portfolio across key application markets. Gross margin declined YoY due to a NT\$510 million increase in depreciation from continued investments in capital expenditures and the impact of exchange rate fluctuations. However, with stringent control of OPEX, operating margin rose by 0.3 percentage points YoY to 2.6%, and operating profit grew by 42.2%, reflecting ongoing improvements in operational efficiency.

Amid rising uncertainty in global trade due to potential US tariff policies, Zhen Ding emphasized that its direct sales to the U.S. make up less than 0.5% of its total revenue, indicating minimal direct impact at this point. The company will continue to closely monitor end-market demand and flexibly allocate global capacity to ensure operational agility and stability. Despite ongoing macroeconomic challenges, Zhen Ding remains optimistic about rising demand for edge AI devices, including AI smartphones, smart glasses, humanoid robots, and intelligent vehicles. This combines with new orders in high-end applications including AI servers, optical, and IC substrates, will drive revenue growth across all four major applications this year. Overall, the company maintains its target of achieving record-high revenue in 2025.

In terms of IC substrates, Zhen Ding continued its strong growth momentum following a 75% revenue growth in 2024, delivering nearly 30% YoY growth in the first quarter of 2025. This was mainly driven by sustained demand for high-end IC substrates under the “China for China” strategy from customers in both China and overseas markets. The company expects IC substrates to be its fastest-growing business segment this year, targeting over 40% full-year revenue growth.

Looking ahead to the evolution of IC substrate technology, Zhen Ding noted that 2.5D/3D advanced ABF substrates are expected to exceed 24 layers, with sizes potentially surpassing 120×120 mm, posing greater challenges for manufacturing processes. To meet the growing global demand for advanced packaging ABF substrates, the company is accelerating the development at its Kaohsiung AI Park to expand capacity for high-end ABF substrates, aiming to become one of the world’s top five IC substrate

manufacturers by 2030.

Meanwhile, Zhen Ding is actively investing in advanced technologies, partnering with global clients to co-develop new products and technologies for the next 1-2 years. For foldable and wearable devices, it leverages dynamic bending FPC modules and ultra-long FPC assemblies to become a key supplier for foldable smartphones, AR/VR devices, and AI glasses. For AI servers, it offers advanced HDI solutions that support GPU modules and high-speed transmission interfaces, meeting the demands of high-performance computing. For optical, it provides advanced mSAP designs targeting the 800G/1.6T upgrade cycle, and works closely with customers to develop next-generation 3.2T solutions.

Amid increasing global macro uncertainty, Zhen Ding is accelerating the digital transformation of its global manufacturing sites to improve per capita productivity and enhance overall operational efficiency. In parallel, the company continues to strengthen its global manufacturing footprint with manufacturing facilities across Mainland China, Thailand, Kaohsiung, and India, aiming at enhancing operational resilience and supply chain agility. Phase 1 of the new Thailand fab began trial production on May 8, serving demand in high-end server, automotive, and optical applications, while groundbreaking of Phase 2 fab also took place on the same day. Capacity expansion for high-end ABF substrates and RPCBs at the Kaohsiung AI Park is progressing as planned. Contribution to overall performance from the Thailand and Kaohsiung sites is expected to gradually materialize from 2026-2027, further reinforcing Zhen Ding's leadership in the global PCB industry.

Unit: NT\$ million, unless otherwise stated

Period	1Q25	1Q24	YoY
Revenue	40,082	32,510	+23.3%
Gross Profit	5,885	5,337	+10.3%
Operating Profit	1,056	743	+42.2%
Net Income	1,025	1,436	-28.6%
Net Income to Parent	632	977	-35.3%
EPS (NT\$)	0.66	1.03	-35.9%
Gross Margin	14.7%	16.4%	-1.7ppts
Operating Margin	2.6%	2.3%	+0.3ppts
Net Margin	2.6%	4.4%	-1.8ppts

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: 4958) specializes in the research, development, production, and sales of a diversified range of products, including flexible printed circuit board (FPC) and surface mount assembly (SMA), substrate-like PCBs (SLP), high-density interconnect (HDI) PCBs, high-layer-count and high-density (HLC-HDI) boards, multilayer rigid printed circuit boards (RPCB) and IC substrates (ICS). These products are widely used in end products such as computer information, consumer electronics, communications networks, automotive electronics, AI server high-speed computing, optical module and medical applications. The company offers professional one-stop shopping, full-solution services to customer worldwide. According to Prismark's global PCB industry rankings by revenue, Zhen Ding has been ranked the world's largest PCB manufacturer for eight consecutive years, from 2017 to 2024. For more detailed information, please visit the company website: www.zdtco.com.

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