

Zhen Ding Tech. Group (4958 TT)

Expanding AI and Semiconductor Capabilities to Drive Next-Gen PCB Growth

2025/3/12

QIC Research Team
research@qtumic.com
02-2325-3563

COMPANY OVERVIEW

Zhen Ding is the world's largest PCB manufacturer, holding a 7.3% market share in 2024. Under its One ZDT strategy, the company maintains its leading position in flexible PCBs (FPCs) while expanding its market share in multi-layer rigid PCBs (RPCBs), high-density interconnect (HDI) PCBs, and IC substrates. Its products serve a wide range of industries, including consumer electronics, communications, automotive, AI servers, optical modules, and medical applications. From 2015 to 2024, Zhen Ding achieved a revenue CAGR of 8.5% and an average ROE of 13.3%, reflecting its consistent growth and financial strength.

KEY POINTS

Record-High Revenue in 2024: Zhen Ding achieved record-high revenue in 2024, growing 13.4% YoY and surpassing expectations. This growth spanned all four major application segments, demonstrating the success of its One ZDT strategy in diversifying its product portfolio and securing new orders. In 2024, Mobile Communication contributed 64.2% of revenue, down from 69.1% in the previous year, reflecting ongoing portfolio diversification. Computers and Consumer Electronics accounted for 25.9%, while IC Substrates and Server/Automotive/Optical contributed 5.2% and 4.7%, respectively. The company's ability to sustain growth across multiple high-value segments reinforces its resilience and leadership in the global PCB industry.

Driving Further Growth in 2025: Zhen Ding recorded a 19.9% YoY revenue increase in the first two months of 2025, with double-digit growth across all major applications. Despite macroeconomic uncertainties, the company expects edge AI devices—including AI smartphones, AI PCs, smart glasses, humanoid robots, and intelligent vehicles—to drive PCB specification upgrades and increased content per device. Additionally, AI servers and IC substrates are expected to maintain strong growth momentum. With AI-related applications serving as key demand catalysts, Zhen Ding aims for another year of solid financial performance in 2025. It targets for AI-related products to account for >70% of consolidated revenue this year.

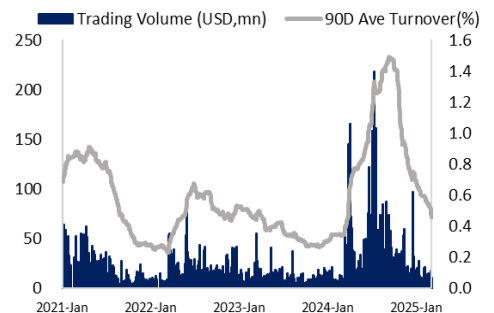
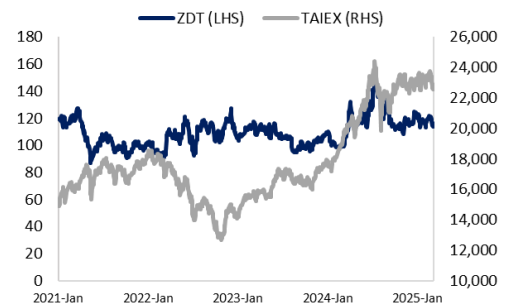
Expanding High-End Production Capacity in Kaohsiung and Thailand: To meet rising demand for AI-driven products, Zhen Ding is transforming its Kaohsiung facility into an AI-focused manufacturing hub. The company plans to invest NT\$8 billion in ABF substrate equipment for advanced packaging and NT\$2 billion in high-layer-count + HDI PCB production equipment. Meanwhile, the new Prachinburi, Thailand fab is set to begin trial production on May 8th, with small-scale mass production in 2H25, focusing on high-end server, automotive, and optical module products. With an increasingly globalized manufacturing footprint, Zhen Ding is further strengthening its competitive edge in high-value PCB applications.

New General Manager to Accelerate Digital Transformation and Semiconductor Supply Chain Engagement: On March 1, 2025, Dr. Chen-Fu Chien assumed the role of General Manager at Zhen Ding. He previously served as Executive Vice President at National Tsing Hua University, Independent Director at Zhen Ding, and Deputy Director of the Industrial Engineering Division at TSMC (2005–2008). He will leverage his extensive academic and industry experience to accelerate Zhen Ding's development in five key areas, including smart manufacturing, industrial engineering, AI empowerment, semiconductor industry engagement, and industry-academia collaboration. Moving forward, Zhen Ding's Chairman/CSO will focus on business strategy and planning, General Manager will drive digital transformation and empowerment, and COO will oversee operational management and execution. The three key leaders will form a well-balanced "iron triangle" team, each taking on a vital role to enhance overall operational efficiency.

KEY STATISTICS

Ticker:	4958 TT
Current Price:	NT\$ 113
52-Week Range:	NT\$ 106 - 154
Average Volume (30-Day, k shares)	3,463.9
Outstanding Shares (MN)	957
FINI Holding (%)	30.23
Market Cap (\$MN)	US\$ 3,292

PRICE PERFORMANCE



FINANCIAL SUMMARY

mn,NTD	FY21	FY22	FY23	FY24
Revenue	155,022	171,356	151,398	171,664
Revenue YoY (%)	18.1	10.5	-11.6	13.4
Gross Margin (%)	19.7	23.3	18.1	18.9
Op. Margin (%)	10.2	13.1	6.1	6.7
Net Income	9,651	14,197	6,189	9,180
Net Income YoY (%)	19.2	47.1	-56.4	48.3
Net Margin (%)	6.2	8.3	4.1	5.3
EPS (NTD)	10.21	15.02	6.55	9.67
ROA (%)	5.1	6.6	2.5	3.6
ROE (%)	11.9	15.7	6.5	9.0
ROIC (%)	3.7	5.7	0.3	3.0
P/E (x)	9.8	7.0	16.6	11.8
P/B (x)	1.1	1.0	1.1	1.0
P/S (x)	0.6	0.6	0.7	0.6
EV/EBITDA (x)	4.8	3.6	5.4	2.5

Source : TEJ

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