



Operating Result Report for Q2 of 2025

Aug. 5, 2025

Dynamic Holding Co., Ltd.

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Disclaimer

The forward-looking statements in this report contain unknown risks and uncertainties, which may cause actual operating results to be materially different from the forward-looking statements, the statements about historical events are excluded.

The forward-looking statements in this report reflect the company's view of the future so far, the company is not responsible for reminding or updating on any changes or adjustments in these views in the future at any time.

Market Information

Tariff

- There are external concerns that manufacturers may have front-loaded shipments in the first half of the year, which could weigh on exports in the second half once tariffs are announced. The good news is that global AI demand remains fundamentally supported. Evidence of this can be seen in continued capital expenditure expansion by cloud giants such as Meta, Google, and Microsoft, driving demand for AI and servers.
- In Taiwan's export structure, 70% consists of electronics and ICT products. However, in April, nearly all of these were included in the U.S. exemption list and are not subject to the latest reciprocal tariffs. As a result, the market remains relatively optimistic about full-year economic growth.
- The revenue from Dynamic's direct sales to the U.S. accounts for less than 5%. Moreover, the trade terms stipulate that tariffs are paid by the customers. Therefore, the company has not been affected so far, and no customers have requested that the supply chain share the burden of the reciprocal tariffs imposed by the U.S.

台灣輸美前十大資通訊產品

產品	2024年輸美金額（億美元）	美國佔總出口比重（%）
顯示卡	317.99	60.7
伺服器系統產品	159.00	74.1
電腦零附件如記憶體模組	67.69	47.0
數位積體電路晶粒、數位積體電路等	67.01	5.3
網路交換器/路由器	38.03	45.9
筆記型電腦、平板電腦	17.76	77.1
固態硬碟	17.57	20.8
網路交換器所屬零件*	12.30	40.2
桌機與其他電腦品項	11.84	18.8
變壓器（如筆電充電器）*	10.93	54.8

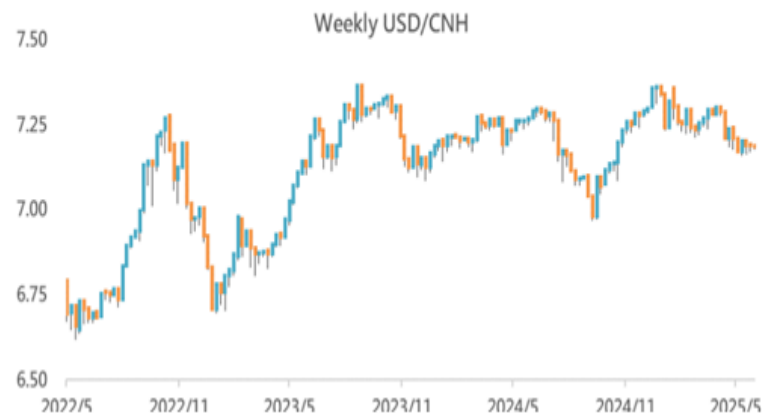
註：網路交換器所屬零件和變壓器未列入豁免清單，適用最新20%關稅。其他尚待232調查。資料來源：中華經濟研究院區域發展研究中心

Exchange Rate

RMB Outlook With no definitive outcome from the U.S.-China trade negotiations, the USD/CNH is expected to move sideways in the short term.

The tariff standoff between the U.S. and China is likely to persist for an extended period. Although the PBOC is expected to intensify efforts through interest rate cuts and reserve requirement reductions, it remains difficult to reverse the long-term structural deflationary pressures. Until a comprehensive trade agreement is reached between the U.S. and China, the USD/CNH is likely to remain low in volatility, with a bias toward mild weakness in line with the broader trend of a weakening U.S. dollar.

美中談判短期難有定案，美元兌人民幣走勢收斂



Thai Baht The baht has followed the broader rally of Asian currencies, but concerns over Thailand's fundamentals are expected to cause it to lag behind.

Despite a lack of improvement in economic fundamentals, the baht has appreciated by 4% so far this year, mainly driven by a weaker U.S. dollar and the overall strength in Asian currencies. However, its gains are expected to trail those of major regional peers.

美元走勢偏弱，有利泰銖升勢延續



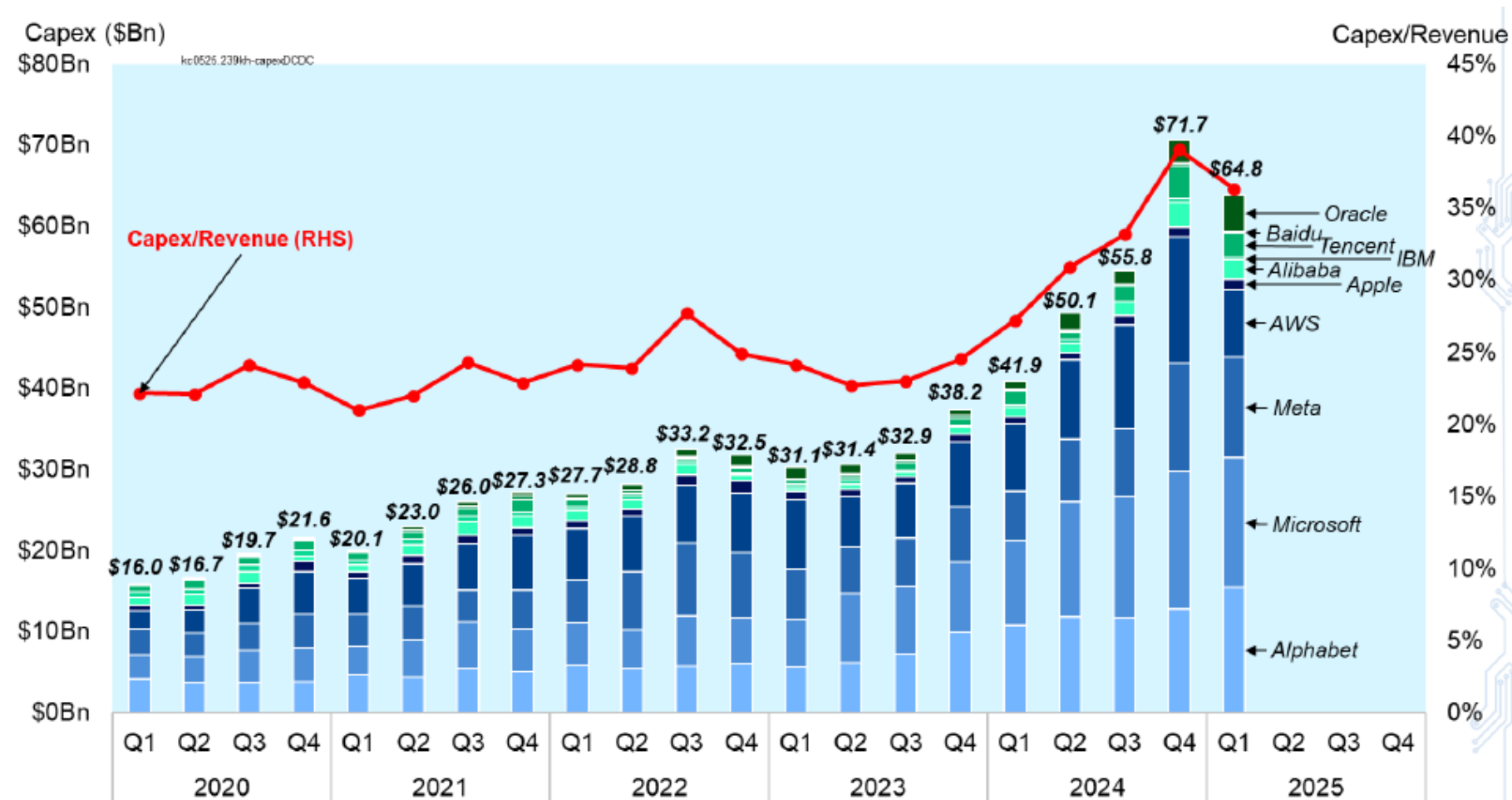
資料來源：Bloomberg。

Impact of TWD Appreciation on Dynamic

- Our factories are located in China and Thailand, so the exchange rate fluctuations of the RMB and THB against the USD have a greater impact on us, while fluctuations in the New Taiwan Dollar (TWD) have a relatively smaller effect.
- A 1% appreciation or depreciation of the U.S. dollar against all major currencies (TWD/RMB/THB) would impact our gross margin by approximately 0.3 percentage points. This refers to the collective effect of a 1% movement in the USD against all these currencies, not just a single currency.

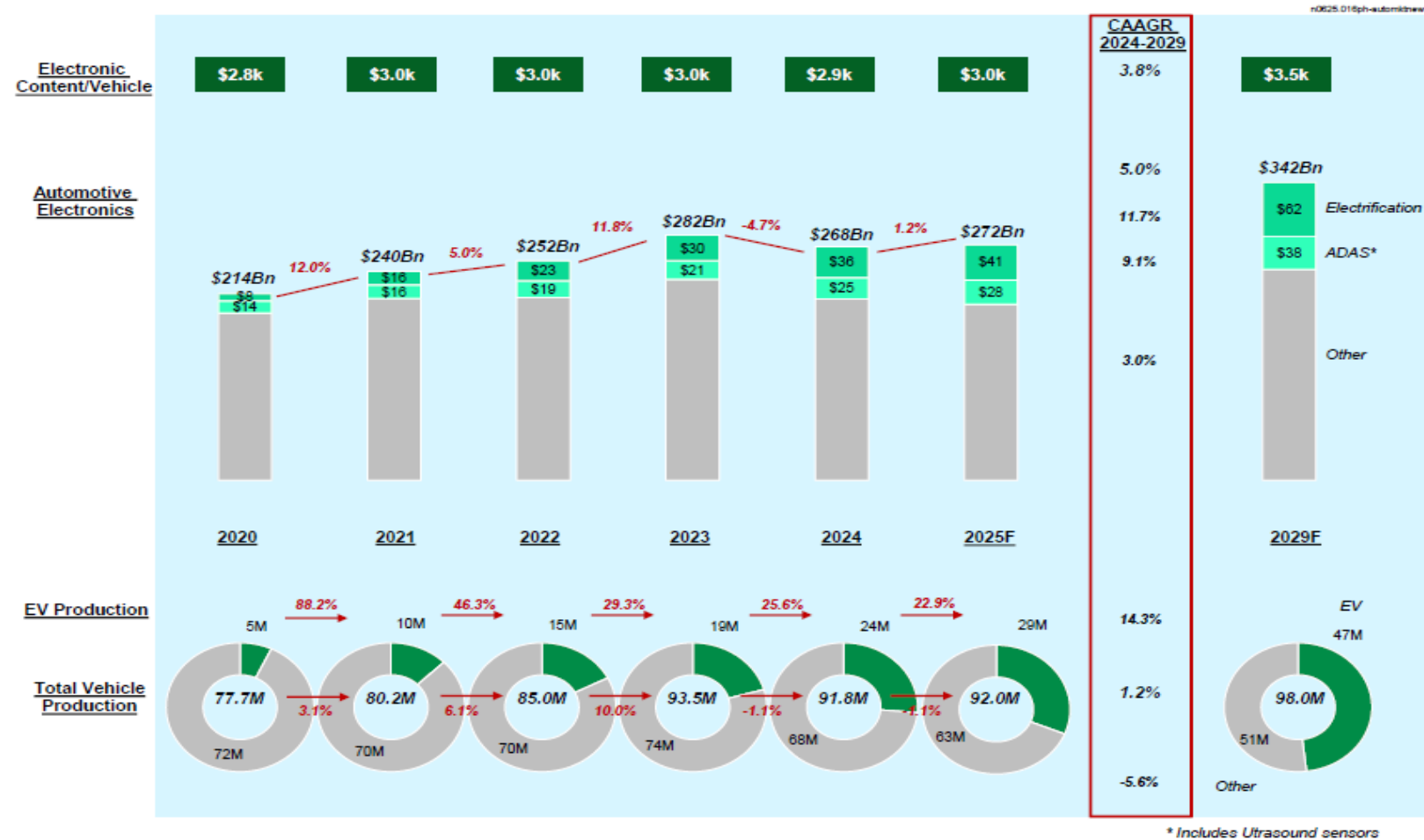
E.SUN Bank Q3 2025 Financial Market Quarterly Report
Cathay United Bank Global Economic and Market Outlook – Q3 2025

DATA CENTER CAPEX/DATA CENTER REVENUE



A higher capital expenditure-to-revenue ratio indicates that a company is actively investing in its future. This is commonly seen in high-growth companies—such as those in cloud services, data centers, and the semiconductor industry—where high capital spending reflects efforts to expand capacity, build infrastructure, and position for future growth. It is also typical during periods of long-term strategic investment, such as in AI, large-scale infrastructure, or energy transition sectors.

AUTOMOTIVE ELECTRONICS MARKET



The growth in automotive electronics is mainly concentrated in electrification, specifically the development of electric vehicles (EVs) and Advanced Driver Assistance Systems (ADAS). Additionally, the production volume of electric vehicles is projected to reach 24 million units in 2024, increasing to an estimated 29 million units in 2025, representing a growth rate of 22.9%. By 2029, the production is further expected to reach 47 million units, accounting for 48% of all vehicles. The compound annual growth rate (CAGR) from 2024 to 2029 is 14.3%.

Forecasts are at constant currency exchange. Vehicle production includes light and heavy vehicles; EV production includes BEV, PHEV, HEV. Automotive electronics excludes Li-ion batteries.

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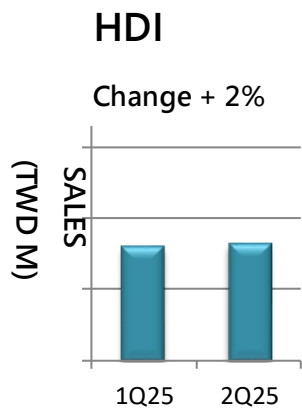
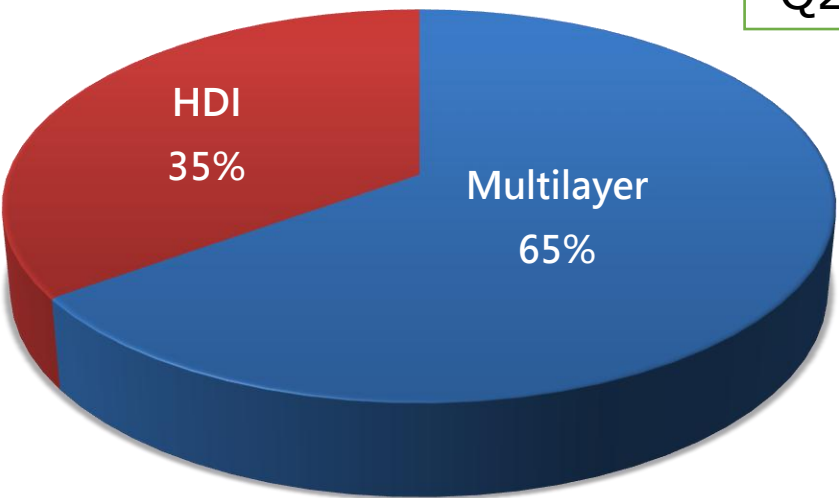
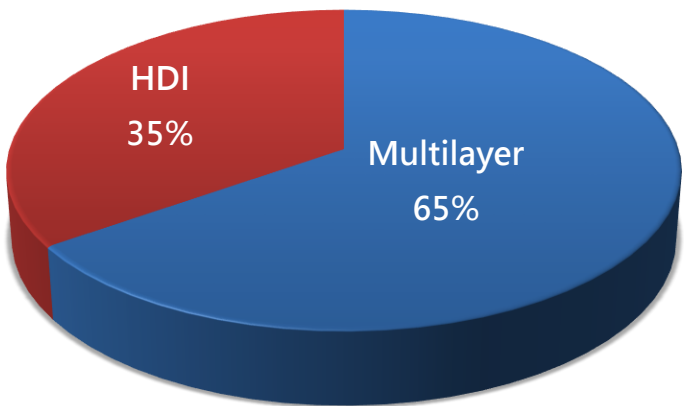


2025 PCB MARKET OUTLOOK

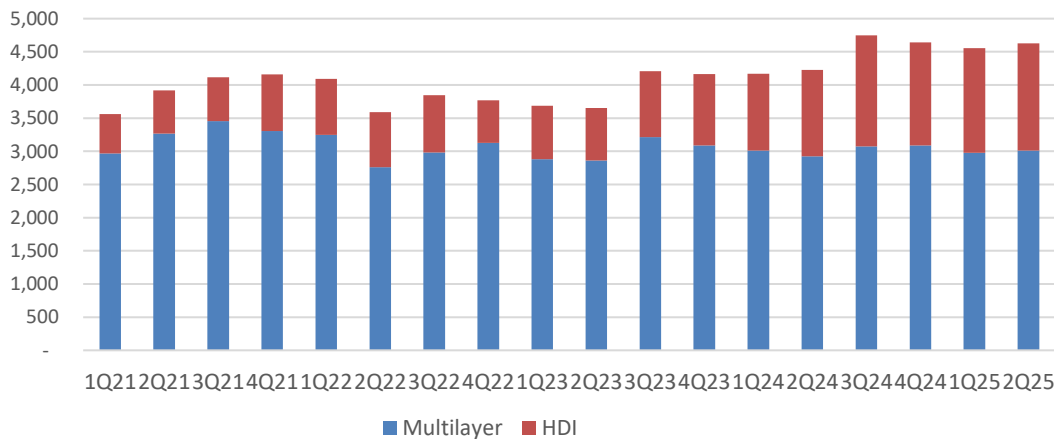
- Prismark forecasts the PCB market to grow by 7.6% in value and 7.8% in area terms.
- The 2025 PCB market will again mostly be driven by AI servers and related high-speed networking infrastructure. •
- Multilayer Board
 - 18+ layer multilayer boards are again expected to be the fastest growing segment in both value and area.
 - The 8–16layer multilayer board segment is also growing strong for AI PC and server applications but faces more market competition and price erosion.
- HDI
 - The HDI segment is expected to grow by 12.9% (value) and 14.3% (area) in 2025.
 - The strong growth is due to the continuing penetration of HDI boards into new applications, such as AI servers, networking, satellite communication, and automotives.

Operating Overview for Q2 of 2025

2025Q2 Sales Analysis - Technology



Revenue by Technology



Consolidated Income Statement

Accounts (TWD 100M)	2Q25	1Q25	Q-o-Q Change%	2Q24	Y-o-Y Change%	Q1-Q2 2025	Q1-Q2 2024	Y-o-Y Change%
Sales Revenue	46.29	45.56	1.6 %	42.28	9.5 %	91.85	83.99	9.4 %
Gross Profit %	21.5 %	19.0 %	2.5 %	27.4 %	(6.0)%	20.2 %	25.1 %	(4.8)% pts
Operating expenses	6.15	6.00	2.5 %	6.11	0.7 %	12.15	11.64	4.4 %
Operating Income%	8.2 %	5.8 %	2.4 %	13.0 %	(4.8)%	7.0 %	11.2 %	(4.2)% pts
Non-operating income/expenses	0.89	(0.07)	1,321.1 %	(0.20)	553.8 %	0.82	(0.02)	4,350.7 %
Net Income (loss)	2.58	2.66	(2.8)%	3.40	(24.0)%	5.24	6.23	(15.8)%
Net Income (loss)%	5.6 %	5.8 %	(0.3)%	8.0 %	(2.5)%	5.7%	7.4 %	(1.7)% pts
EPS(NTD)	0.93	0.96	(3.1)%	1.23	(24.4)%	1.89	2.24	(15.6)%
ROE (%)	14.0 %	13.1 %	0.8 %	18.4 %	(4.5)%	14.1 %	16.9 %	(2.7)% pts
Average exchange	31.87	32.89	(3.1)%	31.90	(0.1)%	31.87	31.90	(0.1)%

* The weighted average thousand shares to 277,675 of ordinary shares outstanding during the second quarter of 2025.

** The ROE is the annualized data calculated by the average equity of the parent company.

Consolidated BS & Important Financial Indicator

Accounts (TWD 100M)	2Q25		1Q25		2Q24	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	38.96	12.6%	35.81	10.8%	43.28	16.2%
Accounts receivable	47.27	15.3%	49.47	15.0%	45.54	17.0%
Inventories	34.28	11.1%	36.42	11.0%	27.35	10.2%
Property, plant and equipment	168.88	54.7%	187.25	56.6%	134.09	50.2%
Total Assets	309.01	100.0%	330.74	100.0%	267.36	100.0%
Current liabilities	163.88	53.0%	176.76	53.4%	143.97	53.8%
Long-term loans	53.39	17.3%	55.30	16.7%	33.58	12.6%
Total liabilities	234.92	76.0%	249.79	75.5%	193.47	72.4%
Total equity	74.09	24.0%	80.95	24.5%	73.89	27.6%
Important Financial Indicator						
A/R turnover days	108		112		106	
Average inventory turnover days	86		88		76	
Current ratio (Times)	0.8		0.8		0.9	
Asset productivity (Times)	0.6		0.6		0.7	

Ps. Asset productivity= Sales Revenue/ Average total Assets.

Consolidated Statements Of Cash Flows

(TWD 100M)	2Q25	1Q25	2Q24
Cash at beginning of period	35.81	28.49	41.72
Cash Flow from Operating	8.97	2.84	5.41
Capital Expenditure	(14.94)	(12.82)	(16.55)
Cash Dividends Paid	(4.16)	0.00	0.00
Cash Flow from Financing	10.13	18.20	15.04
Investment & Other	3.49	(0.80)	(2.45)
Cash at end of period	38.96	35.81	43.28
Free Cash Flow	(5.97)	(9.98)	(11.14)

Ps. Free Cash Flow = Cash Flow from Operating - Capital Expenditure

2025Q2 Summary

- By product category, the main change is that storage devices increased by 3 percentage points, driven primarily by the growing demand for DDR5, with specifications ranging from 12 to 16-layer HDI. Display panels decreased by 2 percentage points, mainly due to reduced customer demand.
- By technology type, HDI maintained a 35% share, though the revenue amount slightly increased.
- Revenue in the second quarter rose by 1.6% compared to the previous quarter, mainly due to the increase in storage devices. Gross profit margin improved by 2.5 percentage points, primarily from cost improvements at the Thailand production facility and the increased HDI contribution. Operating expense ratio was 13.3%, unchanged from the previous quarter.
- Non-operating income totaled 89 million NT dollars, including foreign exchange gains of approximately 160 million NT dollars. This was mainly due to the Thailand plant's borrowings being mostly in US dollars, and the depreciation of the US dollar against the Thai baht in Q2 resulting in foreign exchange gains.
- The effective tax rate in the second quarter was high at 42%, because in May a 5% surtax on undistributed earnings was recognized, amounting to about 31 million NT dollars.
- Net profit after tax was 258 million NT dollars, with earnings per share (EPS) of 0.93 NT dollars.

Outlook

Technical Capability

NOW

Smart Mobility

- 1. Autonomous driving
- 2. HPC
- 3. Smart cockpit
- 4. Driverless vehicle

12L ↑ HDI (2+ ↑ HDI)

Automotive HDI accounts for 40% of total automotive revenue.

2026~

AI Server

AI Related

- 1. GPU
- 2. ASIC
- 3. Switch

20L ↑ HDI (5+ ↑ HDI)

22~48L High layer count

The target is for AI to account for 20% in 2026. It is expected to continue growing and will be a key driver of the company's future growth.

Dynamic Thailand Capability for MLB

50L

Dynamic Thailand Capability for HDI

50L HDI (7+ HDI)

Future Outlook

- Looking ahead to the third quarter of 2025, the main growth driver remains DDR5 within storage devices, with demand staying strong. Revenue is expected to grow slightly compared to the previous period.
- With the learning curve at the Thailand plant improving and new high-end products expected to begin small-scale production in the fourth quarter, we remain optimistic about full-year revenue and profitability.
- These high-end new products are primarily AI servers and AI-related components such as GPUs, ASICs, and switches. Production volume is expected to gradually increase in 2026. Based on current customer capacity requirements, AI products are projected to account for 20% of total revenue next year, driving growth in both revenue and profit.

Dynamic Actions in ESG

Awarded as a Top 5% Listed Company in the 11th Corporate Governance Evaluation



- In the 11th Corporate Governance Evaluation, a total of 1,749 listed and OTC companies were assessed, with 49 listed companies and 39 OTC companies—88 companies in total—ranking in the top 5%.
- Amid the rapidly changing global economy and business environment, the evaluation indicators for corporate governance have continued to evolve over the years. We have kept pace with these changes through persistent efforts to enhance our corporate governance and advance sustainable development.
- In response to shifting industry trends, the Corporate Governance Evaluation will be transformed into the “ESG Evaluation” in 2026. The goal is to strengthen the resilience of listed and OTC companies in addressing sustainability-related risks, drive sustainable transformation, and achieve long-term sustainability goals.
- In recent years, the evaluation has gradually incorporated environmental and social indicators, such as setting carbon reduction targets for 2030, disclosing Scope 3 greenhouse gas emissions, implementing internal carbon pricing mechanisms, and establishing employee career development plans. We not only actively support these initiatives but also view them as key opportunities to advance our journey toward sustainability and enhance corporate governance. We remain committed to deepening and refining the implementation of relevant measures.

Internal Carbon Pricing Project



- Internal Carbon Pricing (ICP) is a requirement under frameworks such as DJSI, CDP, and the Corporate Governance Evaluation. Its purpose is to internalize the cost of carbon, guiding companies to invest in low-carbon technologies, processes, and equipment, thereby enhancing carbon management decisions and improving carbon reduction outcomes
- As such, we plan to develop the Dynamic Internal Carbon Pricing System in 2025 and establish a specific ICP price. The implementation of internal carbon pricing is scheduled to begin in 2026.
- During 2024–2025, we submitted our emissions reduction targets to SBTi for review and certification, with the goal of achieving the approved targets by 2030. Being certified by SBTi demonstrates our commitment and responsibility toward climate and environmental issues, and also strengthens brand reputation and trust across our supply chain. To meet our SBTi targets, internal carbon pricing serves as a critical tool for evaluating internal carbon emissions and formulating effective reduction plans. It can be applied to various contexts such as procurement decisions and internal budgeting.
- Only by ensuring that more colleagues fully understand the design principles and objectives behind this system can we effectively achieve our carbon reduction goals.



Q&A

Dynamic Holding Co., Ltd.