



# Operating Result Report for Q3 of 2025

Nov. 14, 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

# SERVER, STORAGE AND AI MARKET

AI Infrastructure is experiencing explosive growth and is driving development in new technologies, products, and supply chains.

Prismark forecasted 24-29 CAAGR of Computing ASIC is 27.4% in value, and of GPU and HPC server is 21% in value ◦

24-29 CAAGR		Units (M)	Value (\$Bn)
	 Storage Equipment	4.8%	3.1%
	 Computing ASIC	26.9%	27.4%
	 GPU and HPC Server	17.2%	21.0%
	 Regular Server	5.0%	2.5%
Total		7.1%	14.6%

# AI BUBBLE CONCERNS

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- Concerns are mounting that the collective investment in AI is creating a bubble, not unlike dot-com
- Investment in AI data centers is approaching similar scale as the mobile phone hardware segment, but at the service provider rather than end user level
- Capex levels far exceed revenues, e.g., OpenAI with revenue reported at roughly \$12-13Bn, just agreed to pay Oracle alone about \$60Bn per year for data center capacity. With industry-wide capex levels at around \$500Bn in coming years, need much higher revenues to achieve ROI. Lack of revenue forces most AI industry participants to rely on debt: adds cost and risk.
- Ownership structures create risk of circular arrangements, e.g., Nvidia investing in OpenAI, which leases data centers from CoreWeave or Oracle, which buy hardware from Nvidia. Not necessarily a problem but has the potential to add risk.

# PCB DEMAND BY APPLICATION

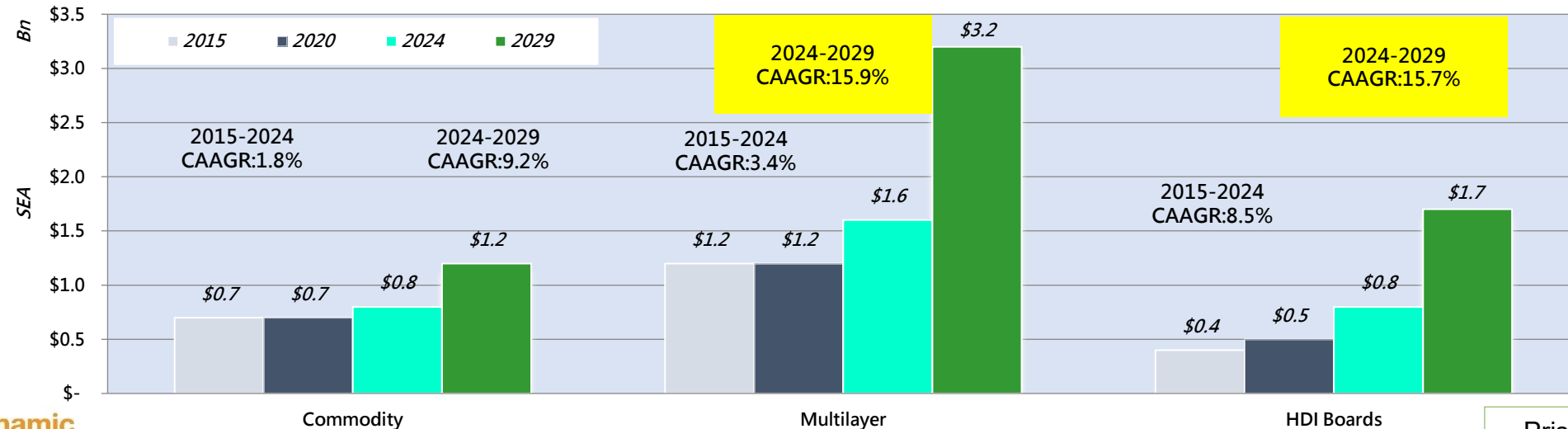
\$M	2020	2023	2024	2025F	2029F	2025F/2024	2024-2029F CAAGR
Computer: PC	\$11,210	\$9,391	\$9,429	\$10,050	\$11,102	6.60%	3.30%
<b>Server/Data Storage</b>	\$5,876	\$8,201	\$10,916	\$15,015	\$22,546	37.50%	15.60%
Other Computer	\$3,801	\$3,661	\$3,649	\$3,820	\$4,110	4.70%	2.40%
<b>Mobile Phones</b>	\$14,150	\$13,085	\$13,886	\$14,602	\$17,410	5.20%	4.60%
<b>Wired Infrastructure</b>	\$4,958	\$5,955	\$6,153	\$7,924	\$10,853	28.80%	12.00%
Wireless Infrastructure	\$2,771	\$3,118	\$3,177	\$3,551	\$4,302	11.80%	6.30%
Consumer	\$9,366	\$9,129	\$8,972	\$9,488	\$10,235	5.80%	2.70%
<b>Automotive</b>	\$6,457	\$9,153	\$9,195	\$9,682	\$11,269	5.30%	4.20%
Industrial	\$2,543	\$2,871	\$2,918	\$3,151	\$3,761	8.00%	5.20%
Medical	\$1,263	\$1,440	\$1,500	\$1,598	\$1,856	6.50%	4.30%
Military/Aerospace	\$2,824	\$3,514	\$3,770	\$4,107	\$5,021	8.90%	5.90%
<b>Total</b>	<b>\$65,218</b>	<b>\$69,517</b>	<b>\$73,565</b>	<b>\$82,987</b>	<b>\$102,466</b>	<b>12.80%</b>	<b>6.90%</b>

# PCB DEMAND BY TECHNOLOGY

	2000	2020	2022	2023	2024	2025E	2029F	2025E/ 2024	2024- 2029 CAAGR
Commodity	\$10,324	\$7,911	\$8,875	\$7,757	\$7,947	\$8,281	\$9,286	4.2%	3.2%
Multilayer	\$22,217	\$24,763	\$29,846	\$26,534	\$27,994	\$31,897	\$38,330	13.9%	6.9%
HDI	\$2,074	\$9,874	\$11,763	\$10,536	\$12,518	\$15,717	\$20,120	25.6%	9.5%
Package Substrate	\$3,505	\$10,188	\$17,415	\$12,498	\$12,602	\$14,215	\$19,686	12.8%	9.3%
Flex	\$3,450	\$12,483	\$13,842	\$12,191	\$12,504	\$12,877	\$15,044	3.0%	3.8%
<b>TOTAL</b>	<b>\$41,570</b>	<b>\$65,219</b>	<b>\$81,740</b>	<b>\$69,517</b>	<b>\$73,565</b>	<b>\$82,987</b>	<b>\$102,466</b>	<b>12.8%</b>	<b>6.9%</b>

# PCB Market Outlook

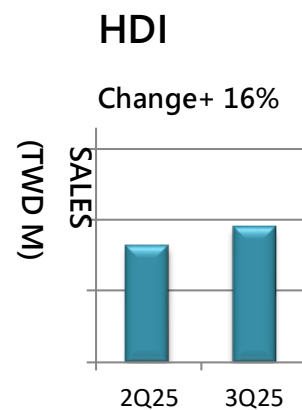
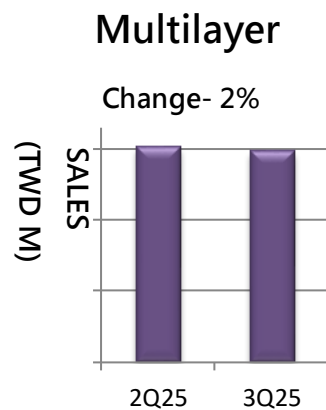
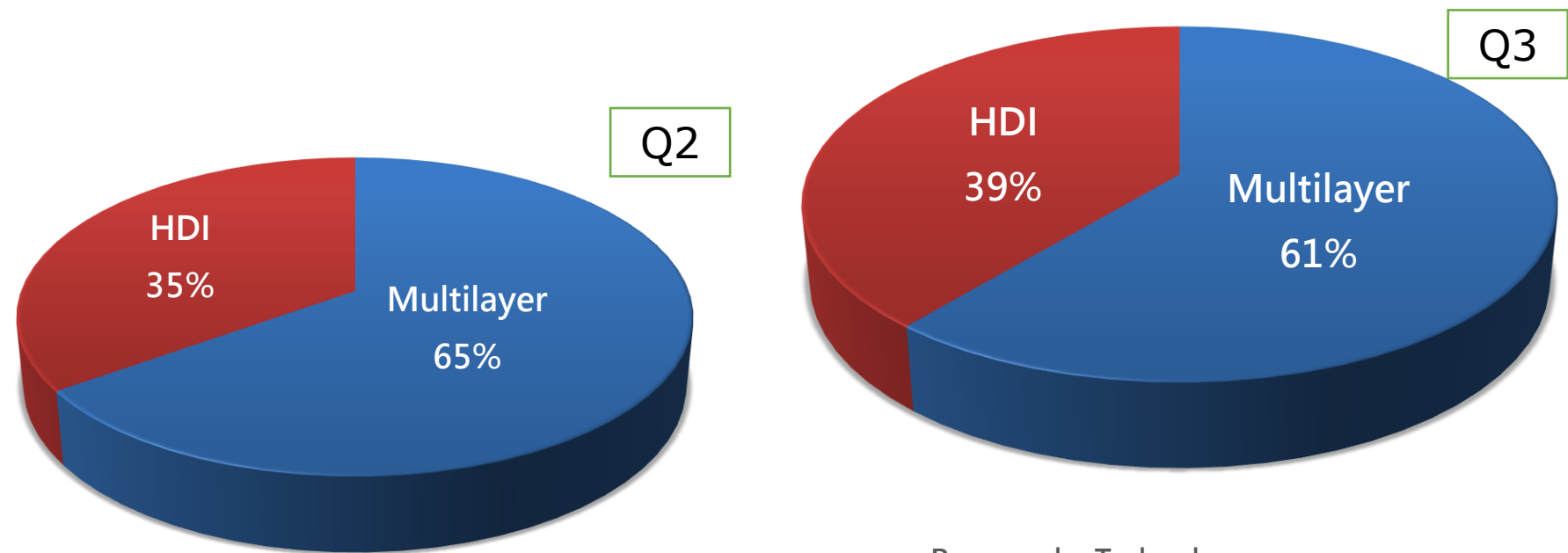
- A 12.8% growth in PCB market value is forecasted for 2025, and a 6.9% CAAGR in PCB market value is forecasted for 2024~2029.
- High-density interconnect (HDI) market, driven by AI servers and high-speed networking, is projected to grow continuously.
- High layer-count multilayer board will continue to expand aggressively due to extraordinary demands from AI servers and high-speed networking.
- New capacities in SEA will put more stress on the PCB market in 2026. It is projected that the PCB output value in Southeast Asia will rise rapidly, with a CAGR of 15.9% for multilayer PCBs and 15.7% for HDI boards from 2024 to 2029, driven mainly by demand from AI servers, networking equipment, and satellite applications.



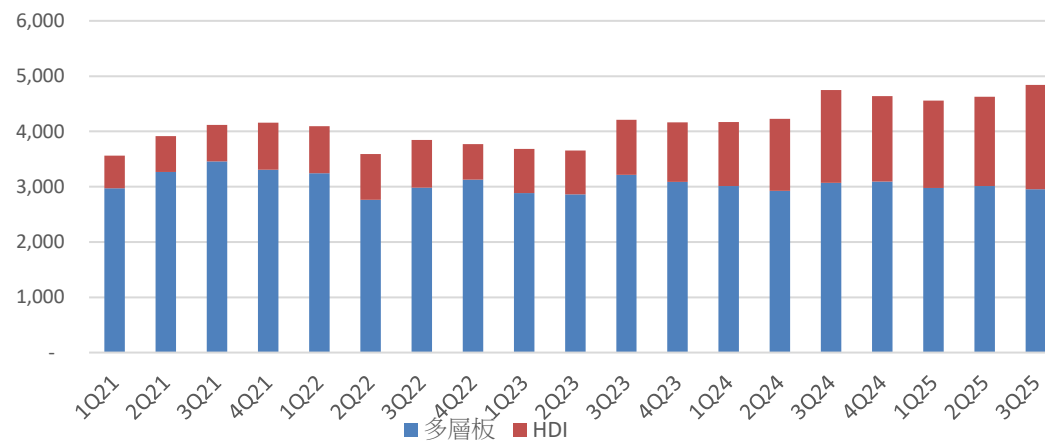


# Operating Overview for Q3 of 2025

# 2025Q3 Sales Analysis - Technology



Revenue by Technology



# Consolidated Income Statement

Accounts (TWD 100M)	3Q25	2Q25	Q-o-Q Change%	3Q24	Y-o-Y Change%	Q1-Q3 2025	Q1-Q3 2024	Y-o-Y Change%
Sales Revenue	48.40	46.29	4.6 %	47.48	1.9 %	140.25	131.47	6.7 %
<b>Gross Profit %</b>	<b>19.4 %</b>	<b>21.5 %</b>	<b>(2.1)%</b>	<b>23.8 %</b>	<b>(4.4)%</b>	<b>19.9 %</b>	<b>24.6 %</b>	<b>(4.7)% ppts</b>
Operating expenses	6.09	6.15	(1.0)%	6.76	(9.9)%	18.24	18.39	(0.9)%
<b>Operating Income%</b>	<b>6.8 %</b>	<b>8.2 %</b>	<b>(1.4)%</b>	<b>9.6 %</b>	<b>(2.8)%</b>	<b>6.9 %</b>	<b>10.6 %</b>	<b>(3.7)% ppts</b>
Non-operating income/expenses	(0.95)	0.89	206.4 %	(0.78)	(21.3)%	(0.13)	(0.80)	83.8 %
Net Income (loss)	1.42	2.58	(45.2)%	2.57	(45.0)%	6.66	8.80	(24.4)%
<b>Net Income (loss)%</b>	<b>2.9 %</b>	<b>5.6 %</b>	<b>(2.7)%</b>	<b>5.4 %</b>	<b>(2.5)%</b>	<b>4.7%</b>	<b>6.7 %</b>	<b>(1.9)% ppts</b>
EPS(NTD)	0.51	0.93	(45.2)%	0.93	(45.2)%	2.40	3.17	(24.3)%
ROE (%)	7.1 %	14.0 %	(6.8)%	13.0 %	(5.9)%	11.2 %	14.8 %	(3.6)% ppts
Average exchange	31.23	31.87	(2.0)%	32.03	(2.5)%	31.23	32.03	(2.5)%

\* The weighted average thousand shares to 277,675 of ordinary shares outstanding during the third 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)	3Q25		2Q25		3Q24	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	33.41	10.2%	38.96	12.6%	38.06	13.6%
Accounts receivable	55.22	16.8%	47.27	15.3%	49.62	17.7%
Inventories	40.25	12.3%	34.28	11.1%	29.23	10.4%
Property, plant and equipment	180.18	54.8%	168.88	54.7%	146.99	52.4%
<b>Total Assets</b>	<b>328.50</b>	<b>100.0%</b>	<b>309.01</b>	<b>100.0%</b>	<b>280.66</b>	<b>100.0%</b>
Current liabilities	163.12	49.7%	163.88	53.0%	151.45	54.0%
Long-term loans	67.82	20.6%	53.39	17.3%	33.43	11.9%
<b>Total liabilities</b>	<b>249.15</b>	<b>75.8%</b>	<b>234.92</b>	<b>76.0%</b>	<b>201.42</b>	<b>71.8%</b>
<b>Total equity</b>	<b>79.35</b>	<b>24.2%</b>	<b>74.09</b>	<b>24.0%</b>	<b>79.24</b>	<b>28.2%</b>
<b>Important Financial Indicator</b>						
A/R turnover days	113		108		106	
Average inventory turnover days	92		86		75	
Current ratio (Times)	0.8		0.8		0.8	
Asset productivity (Times)	0.6		0.6		0.8	

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

# Consolidated Statements Of Cash Flows

(TWD 100M)	3Q25	2Q25	3Q24
Cash at beginning of period	38.96	35.81	43.28
Cash Flow from Operating	(1.37)	8.97	6.87
Capital Expenditure	(12.09)	(14.94)	(11.92)
Cash Dividends Paid	(0.00)	(4.16)	(4.17)
Cash Flow from Financing	9.61	10.13	1.58
Investment & Other	(1.49)	3.49	2.17
Cash at end of period	33.41	38.96	38.06
Free Cash Flow	(13.45)	(5.97)	(5.04)

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

# 2025Q3 Summary

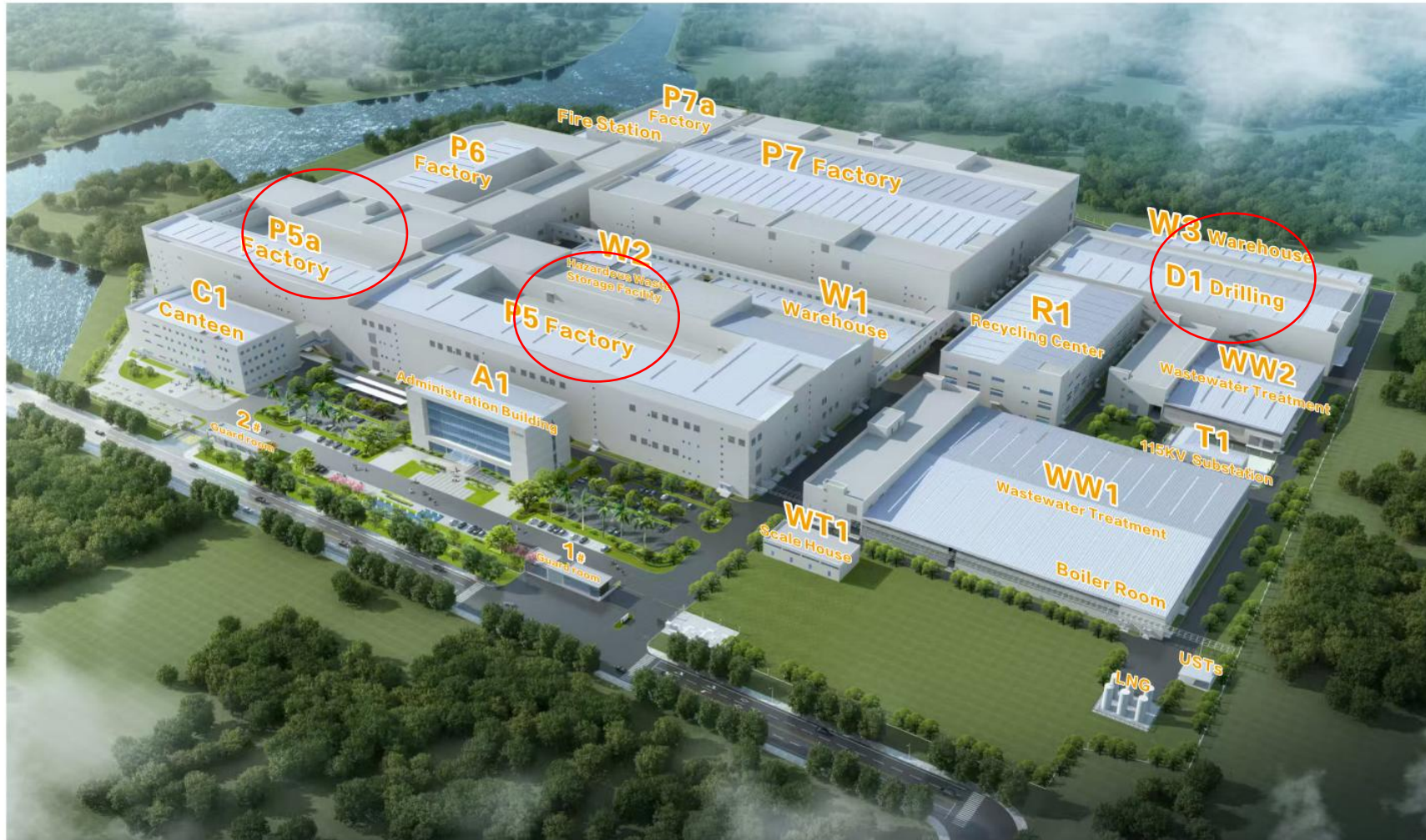
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- By product segment, Networking & Server and Computer & Peripherals each increased by 2 percentage points, while Storage Devices increased by 1 percentage point. The key growth products included network interface cards, AI PCs, and DDR5. Automotive PCBs, however, decreased by 4 percentage points, mainly due to reduced or canceled government subsidies for electric vehicles and the impact of tariffs, which led consumers to delay car-purchasing decisions. By technology segment, HDI revenue increased by 16%, with its share rising from 35% to 39%, indicating continued optimization of the product mix.
- Revenue for the second quarter increased by 4.6% compared with the previous quarter, driven by increases in shipment area and average selling price. Gross margin declined by 2.1 percentage points, primarily because the Thailand plant has not yet reached a positive margin. The operating expense ratio was 12.6%, down from 13.3% in the previous quarter, mainly due to lower administrative expenses.
- Non-operating expenses totaled NT\$95 million, including approximately NT\$7.8 million in foreign exchange losses. Net income after tax was NT\$142 million, with earnings per share (EPS) of NT\$0.51.
- Starting in the third quarter, we began extensive pilot runs for certification samples to adjust and enhance the stability of production process conditions, while accumulating large volumes of data to help achieve better yield rates shortly after mass production. However, this has also led to higher costs and impacted gross margins, and this situation is expected to continue until small-scale mass production begins in the first quarter of 2026.
- Although these efforts do not generate revenue at this stage, the current investment in costs is essential. We are sacrificing short-term profitability to prepare for next year's AI-driven growth, and we hope everyone understands.

# Outlook



# 2026 AI computing capacity expansion project at the Thailand plant



The AI high-end PCB capacity expansion project at the Thailand plant, announced on November 10, 2024, is expected to involve an investment of approximately NT\$6.5 billion. The project includes the Phase 2 equipment expansion for the P5 plant, which is scheduled to begin production in the third quarter, as well as the P5a plant and the D1 drilling center. These additions aim to meet customers' increasing requirements for higher layer counts and improved drilling quality and capacity, with production expected to begin in the fourth quarter. The projected annual revenue contribution from this project is estimated to exceed NT\$6.5 billion.



# Future Outlook

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- Looking ahead to the fourth quarter of 2025, growth will continue to be driven primarily by storage devices and networking & server products, with demand remaining strong. Revenue is expected to be flat or show slight growth compared with the previous period.
- Looking into 2026, revenue is expected to grow significantly quarter by quarter, driven by AI-related products. The revenue contribution from AI is projected to rise substantially, and based on current customer demand, AI could account for around 20% of total revenue next year, supporting strong growth in both revenue and profitability.
- With the rapid advancement of AI, PCB technology capabilities have moved to a higher level, and the overall industry value has increased significantly. At the same time, to ensure supply chain stability and flexibility, customers are requesting a reallocation of production bases. Dynamic takes a leading position in this area, having planned its expansion into Thailand as early as 2022. The Thailand plant began mass production in the third quarter of 2024 and was strategically designed with high-end process technology at its core. Going forward, Dynamic will continue to drive growth primarily in the networking and server sectors, with its three major product lines—GPU, ASIC, and Switch—advancing in parallel, further strengthening revenue and profit growth. In the automotive segment, the company will continue to build on its long-established HDI expertise, with high-end products such as autonomous driving systems, ADAS, and smart cockpits maintaining steady growth. Emerging products, including robotics and AI PCs, will also continue to expand, further enhancing the company's diversified growth momentum. As strong demand for high-end products continues to drive advancements in product technology and process capabilities, we remain positive and optimistic about our future revenue and profitability growth.

# Dynamic Actions in ESG

We have recently received the following recognitions:

- **2025 18th Taiwan Corporate Sustainability Awards:** including Comprehensive Performance—*Top 100 Sustainable Enterprises in Taiwan*—and Sustainability Report—*Silver Award*.
- Selected by **CommonWealth Magazine** × **Taoyuan City Government** as a *Taoyuan 1.5°C Model Enterprise*. Through the *Corporate Carbon Reduction Thermometer (TRIPs)*, developed in collaboration with Tunghai University, we have precisely calculated and achieved carbon reduction standards aligned with the Paris Agreement 1.5°C target.
- Recognized by **Business Weekly** in the *2025 Top 100 Carbon Competitiveness* list.



# Q&A

**Dynamic Holding Co., Ltd.**