Dynamic Holding

# Operating Result Report for Q2 of 2026

Aug. 10, 2026

**Dynamic Holding Co., Ltd.**

# Content

## Market Information

## Operating Overview for Q2 of 2026

## Outlook

## Dynamic Actions in ESG

### 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.

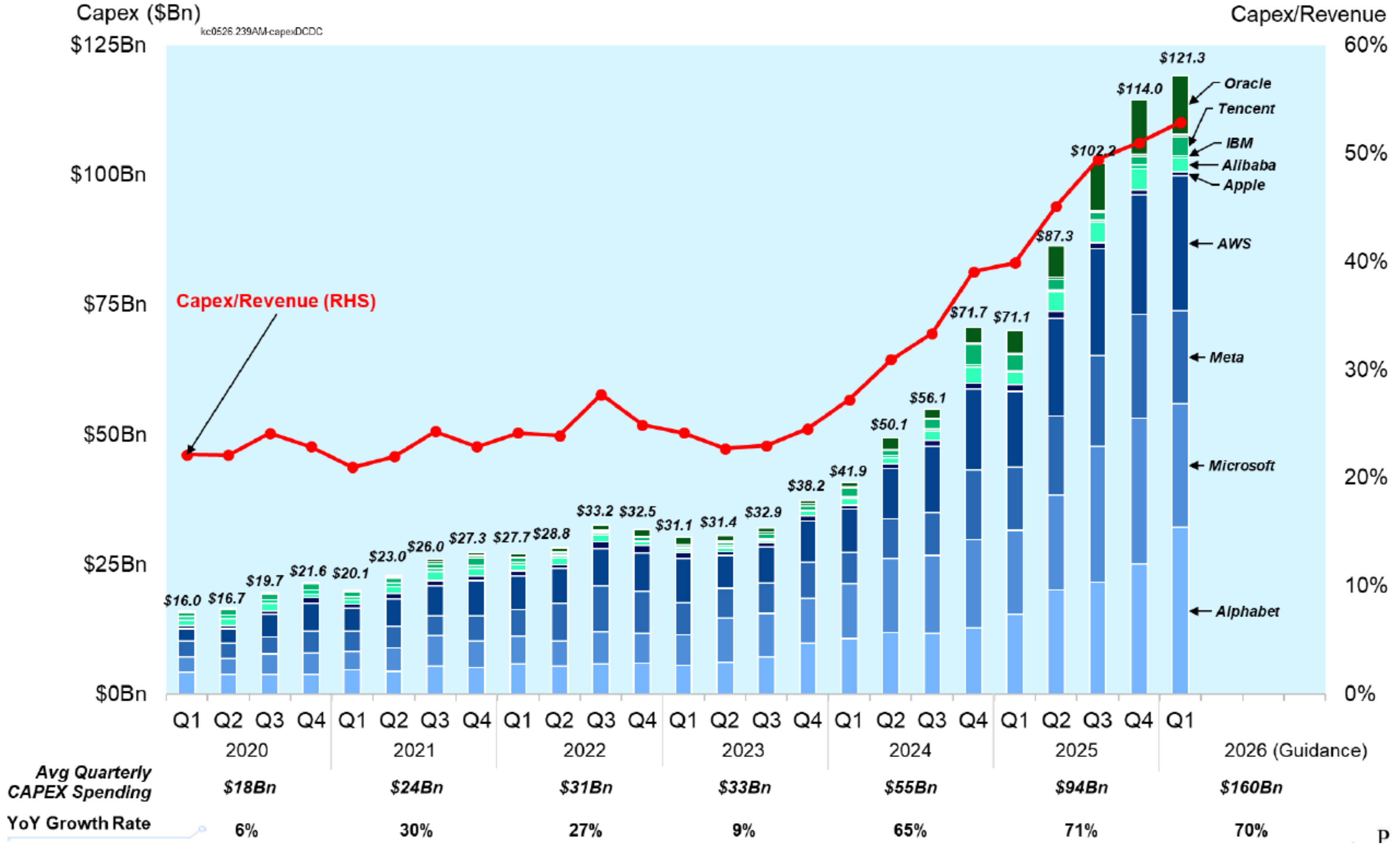
Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Market Information

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# DATA CENTER CAPEX/DATA CENTER REVENUE



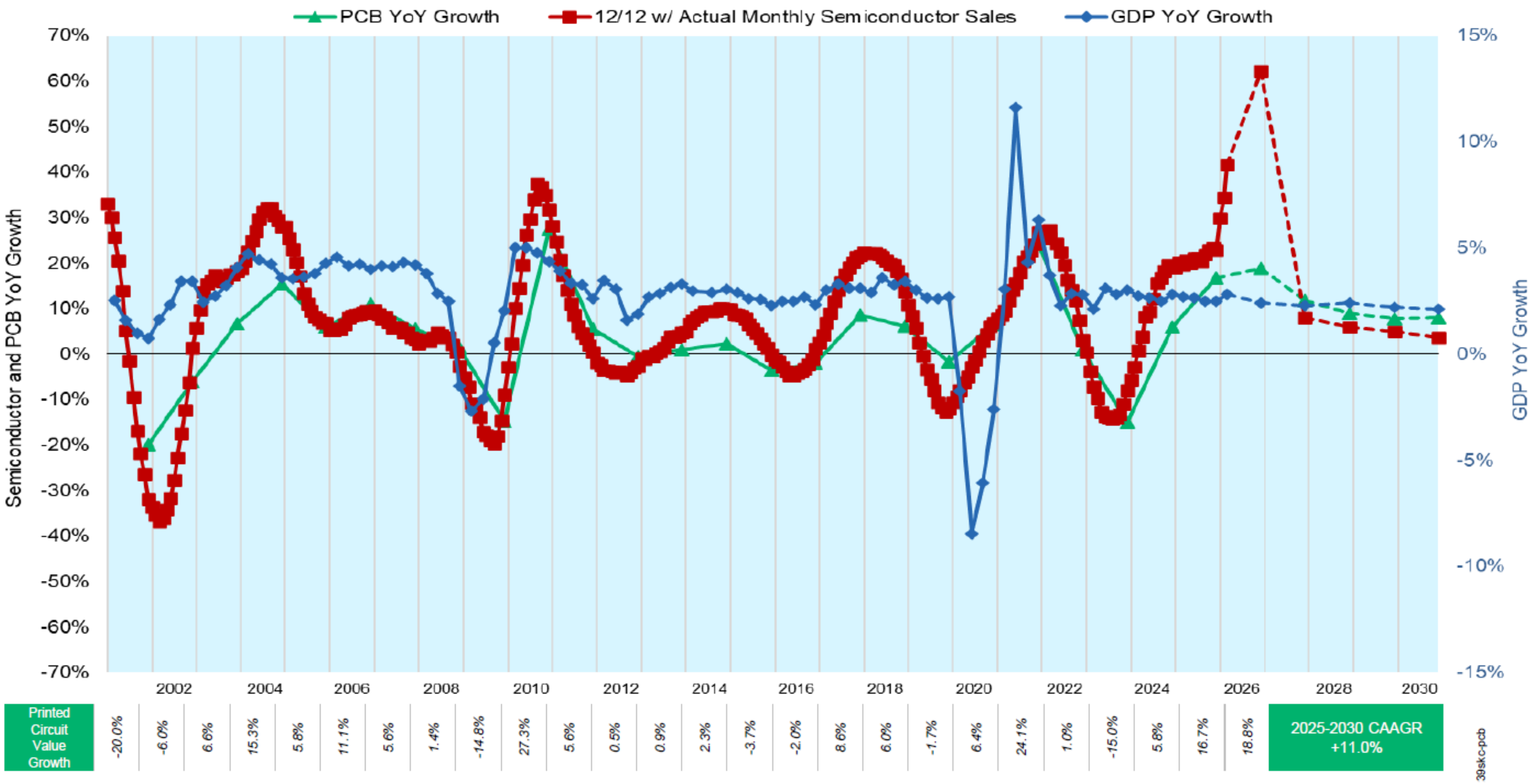

- In Q1 2026, aggregate capital expenditures (CapEx) of the global hyperscalers reached $121.3 billion, with the CapEx-to-revenue ratio consistently exceeding 50%, underscoring uninterrupted momentum in computing power expansion.
- Recent market concerns regarding an AI bubble have alleviated. This shift is primarily driven by authoritative financial analyses, including Bloomberg, highlighting that AI-monetization revenues have covered hardware infrastructure depreciation costs for two consecutive quarters, effectively mitigating overinvestment risks.
- Ultimately, the hyperscalers' robust balance sheets and strong cloud order books provide the supply chain with high mid-to-long-term order visibility and sustained secular growth.

Prismark 2026/06

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# WORLD SEMICONDUCTOR, PCB, AND GDP FORECAST




In its latest forecast released in June 2026, Prismark:

- Significantly upgraded its 2026 global PCB growth outlook from the 12.5% projected in March to 18.8%.
- Furthermore, the research firm strongly revised its mid-to-long-term structural growth projection—the compound annual growth rate (CAGR) for global PCB output value from 2025 to 2030—upward from 7.7% in March to 11.0%.

This substantial revision underscores that the AI-driven expansion of PCB output value is not a transitory phenomenon, but rather a structural shift establishing a new long-term baseline for the industry.

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

Prismark 2026/06

# Global PCB Market Outlook

- **Robust Expansion of the Overall Market:** The PCB market in 2025 grew 16.7% and reached $85.8Bn. The market was primarily driven by strong AI-related infrastructure demand, high-speed networking and satellite communication, a trend that is expected to continue into 2026.
- **Explosive Growth in AI Servers and Storage Systems:** Heavy capital investments by cloud service providers and data center operators fueled exceptional growth in the AI server and storage PCB segment, which expanded by 47% in 2025 and is forecast to grow a further 53% in 2026.
- **Double-Digit Surge in Networking and Communication Infrastructure:**
  - Wired networking infrastructure grew 46% in 2025 and is projected to increase by 45% in 2026.
  - Wireless communication is estimated to grow by 16% in 2025 and 15% in 2026.
- **Surge in Inelastic Demand for High-Spec Product Technologies**: Supported by the computing and communication infrastructure boom, high layer-count multilayer boards (MLB) and HDI boards are experiencing robust growth. The HDI segment grew by 29.4% in 2025 and is expected to grow 23.0% in 2026.
- **Mid-to-Long-Term TAM Outlook**: Looking ahead, the global PCB market is projected to reach $102 billion in 2026 and approximately $145 billion by 2030.

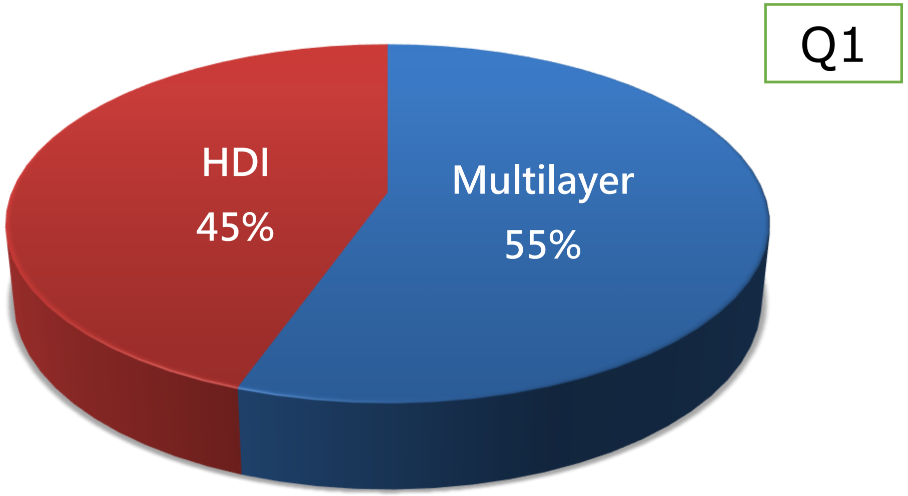

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

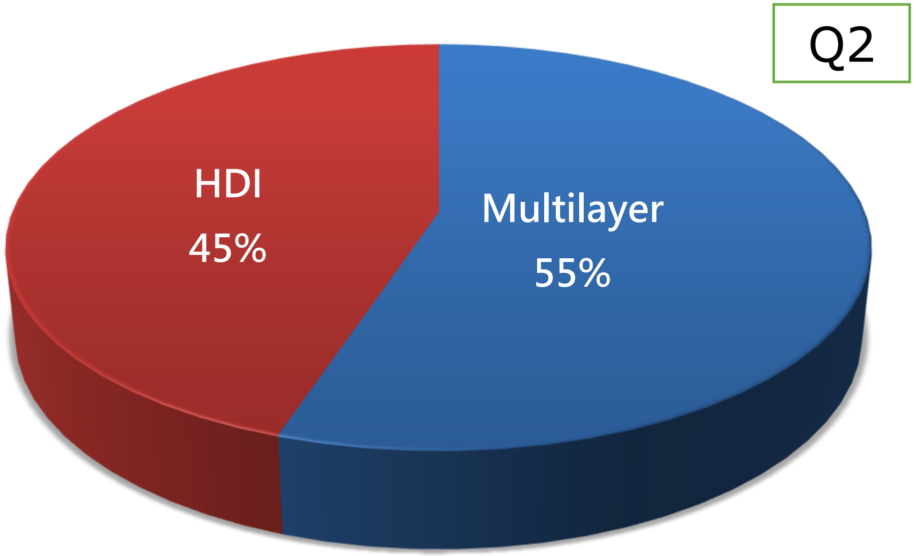
Prismark 2026/06

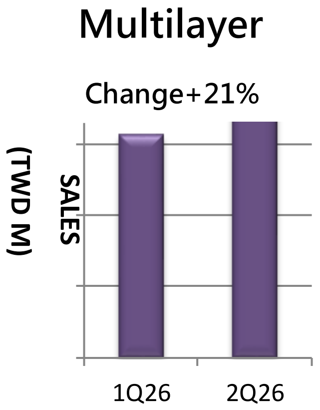
# Operating Overview for Q2 of 2026

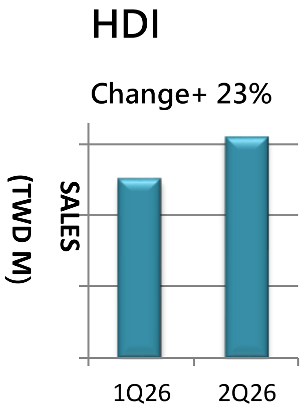
2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

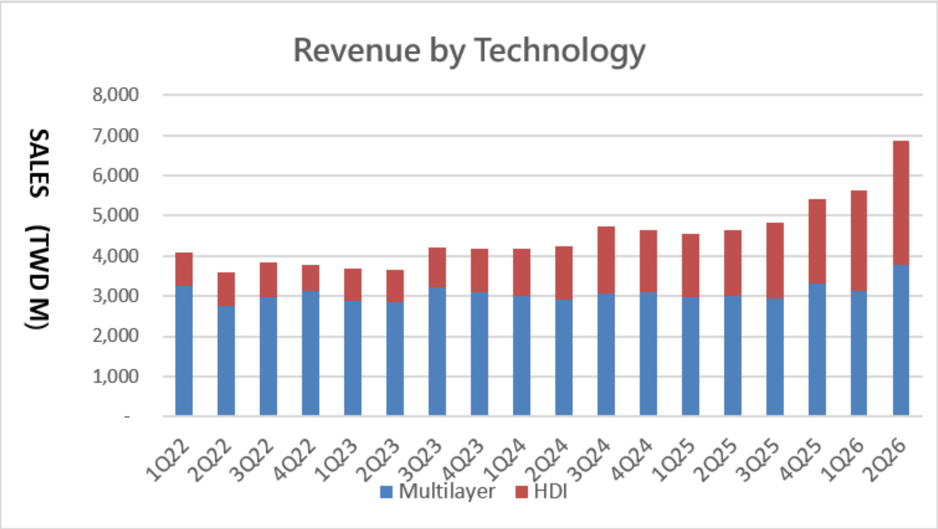
# 2026Q2 Sales Analysis - Technology




Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Consolidated Income Statement

| Accounts (TWD 100M) | 2Q26 | 1Q26 | Q-o-Q Change% | 2Q25 | Y-o-Y Change% | Q1-Q2 2026 | Q1-Q2 2025 | Y-o-Y Change% |
|---|---|---|---|---|---|---|---|---|
| Sales Revenue | 68.69 | 56.32 | 22.0 % | 46.29 | 48.4 % | 125.00 | 91.85 | 36.1 % |
| **Gross Profit %** | **14.0 %** | **16.1 %** | **(2.1)%** | **21.5 %** | **(7.5)%** | **15.0 %** | **20.2 %** | **(5.3)%** ppts |
| Operating expenses | 8.95 | 7.77 | 15.1 % | 6.15 | 45.6 % | 16.73 | 12.15 | 37.7 % |
| **Operating Income%** | **1.0 %** | **2.3 %** | **(1.3)%** | **8.2 %** | **(7.2)%** | **1.6 %** | **7.0 %** | **(5.4)%** ppts |
| Non-operating income/expenses | (3.89) | (5.46) | 28.7 % | 0.89 | (537.6)% | (9.36) | 0.82 | (1,245.5)% |
| Net Income (loss) | (2.30) | (2.09) | (9.7)% | 2.58 | (188.9)% | (4.39) | 5.24 | (183.8)% |
| **Net Income (loss)%** | **(3.3)%** | **(3.7)%** | **0.4 %** | **5.6 %** | **(8.9)%** | **(3.5)%** | **5.7 %** | **(9.2)%** ppts |
| EPS(NTD) | (0.81) | (0.74) | (9.5)% | 0.93 | (187.1)% | (1.55) | 1.89 | (182.0)% |
| ROE (%) | (7.5)% | (6.7)% | (0.9)% | 14.0 % | (21.5)% | (7.2)% | 14.1 % | (21.4)% ppts |
| Average exchange | 31.62 | 31.63 | (0.1)% | 31.87 | (0.8)% | 31.62 | 31.87 | (0.8)% |

* The weighted average thousand shares to 283,575 of ordinary shares outstanding during the Second quarter of 2026.
** The ROE is the annualized data calculated by the average equity of the parent company.


2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Consolidated BS & Important Financial Indicator

| Accounts (TWD 100M) | 2Q26 | | 1Q26 | | 2Q25 | |
|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % |
| Cash and cash equivalents | 71.63 | 14.7% | 81.74 | 18.1% | 38.96 | 12.6% |
| Accounts receivable | 80.85 | 16.5% | 67.10 | 14.9% | 47.27 | 15.3% |
| Inventories | 54.18 | 11.1% | 48.16 | 10.7% | 34.28 | 11.1% |
| Property, plant and equipment | 248.69 | 50.9% | 229.70 | 50.8% | 168.88 | 54.7% |
| **Total Assets** | **488.92** | **100.0%** | **451.76** | **100.0%** | **309.01** | **100.0%** |
| Current liabilities | 178.01 | 36.4% | 161.04 | 35.6% | 163.88 | 53.0% |
| Long-term loans | 169.83 | 34.7% | 146.75 | 32.5% | 53.39 | 17.3% |
| **Total liabilities** | **367.10** | **75.1%** | **325.93** | **72.1%** | **234.92** | **76.0%** |
| **Total equity** | **121.81** | **24.9%** | **125.83** | **27.9%** | **74.09** | **24.0%** |
| **Important Financial Indicator** | | | | | | |
| A/R turnover days | 114 | | 115 | | 108 | |
| Average inventory turnover days | 88 | | 93 | | 86 | |
| Current ratio (Times) | 1.3 | | 1.3 | | 0.8 | |
| Asset productivity (Times) | 0.6 | | 0.5 | | 0.6 | |

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

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Consolidated Statements Of Cash Flows

| (TWD 100M) | 2Q26 | 1Q26 | 2Q25 |
|---|---|---|---|
| **Cash at beginning of period** | **81.74** | **55.26** | **35.81** |
| Cash Flow from Operating | (10.55) | (7.18) | 8.97 |
| Capital Expenditure | (23.10) | (30.27) | (14.94) |
| Cash Dividends Paid | 0.00 | 0.00 | (4.16) |
| Cash Flow from Financing | 23.36 | 42.16 | 10.13 |
| Proceeds from issuing bonds | 0.00 | 17.50 | 0.00 |
| Proceeds from issuing shares | 0.00 | 0.00 | 0.00 |
| Investment & Other | 0.99 | 4.16 | 3.49 |
| **Cash at end of period** | **71.63** | **81.74** | **38.96** |
| Free Cash Flow | (33.64) | (37.46) | (5.97) |

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

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# 2026Q2 Summary

- **Product Performance**: Storage systems increased by 2 percentage points, and automotive boards ticked up by 1 percentage point, while display panels declined by 2 percentage points. All product categories posted absolute revenue growth, led by an impressive 31% surge in storage.
- **Technology Breakdown**: High-Density Interconnect (HDI) maintained its revenue share at 45%, with its absolute value increasing by 23%.
- **Q2 Financial Highlights**:
  - Revenue: Grew 22% QoQ, driven primarily by robust demand in automotive boards and storage systems.
  - Gross Margin (GPM): Decreased by 2.1 percentage points, compressed primarily by rising raw material costs.
  - Operating Expense (OpEx) Ratio: Stood at 13%, down slightly quarter-on-quarter.
  - Operating Margin (OPM): Maintained at 1%, demonstrating that core business profitability and growth momentum remain resilient.
- Non-Operating & Bottom-Line Impacts: Non-operating headwinds—primarily foreign exchange volatility—resulted in a net non-operating expense of NT$389 million. Specifically, the continued appreciation of the USD and RMB against the Thai Baht (THB) led to a recognized FX loss of approximately NT$264 million. This non-recurring FX loss was the primary culprit behind the overall net loss in Q2.
- Net Income & EPS: Net income after tax was negative NT$230 million, translating to an Earnings Per Share (EPS) of -NT$0.81.

Dynamic Holding

2025 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Outlook

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Future Outlook

- Looking ahead to the third quarter, revenue is projected to grow sequentially. The primary growth momentum will be driven by DDR5 storage devices, automotive ADAS, autonomous driving applications, as well as network interface cards (NICs) and accelerator cards for networking servers. Consequently, revenue for the second half of the year is expected to outpace the first half.
- In terms of profitability, gross margin in the second quarter was compressed by rising raw material prices. In response to these cost pressures, we implemented another round of product price adjustments between June and July, which is anticipated to have a positive impact on Q3 gross margins. Should material costs continue to escalate, we do not rule out adopting dynamic pricing measures with our customers to pass through cost inflation. At the same time, the company remains committed to enhancing manufacturing efficiency and driving product mix optimization to proactively counter external cost volatility. Furthermore, as high-end AI-related products at our Thailand facility are scheduled to enter mass production sequentially starting in the fourth quarter, we expect our gross margin to improve progressively, bolstering our optimistic and positive outlook for 2027 operations.
- Regarding capital expenditures, we announced new CapEx budgets on July 6 and August 7, respectively, totaling NT$19.9 billion. As a result, our total updated CapEx for full-year 2026 stands at approximately NT$38.3 billion, with roughly NT$23.8 billion allocated to Thailand and NT$14.5 billion to China. These investments will be funded primarily through internal cash generation or self-raised capital.


2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Future Outlook

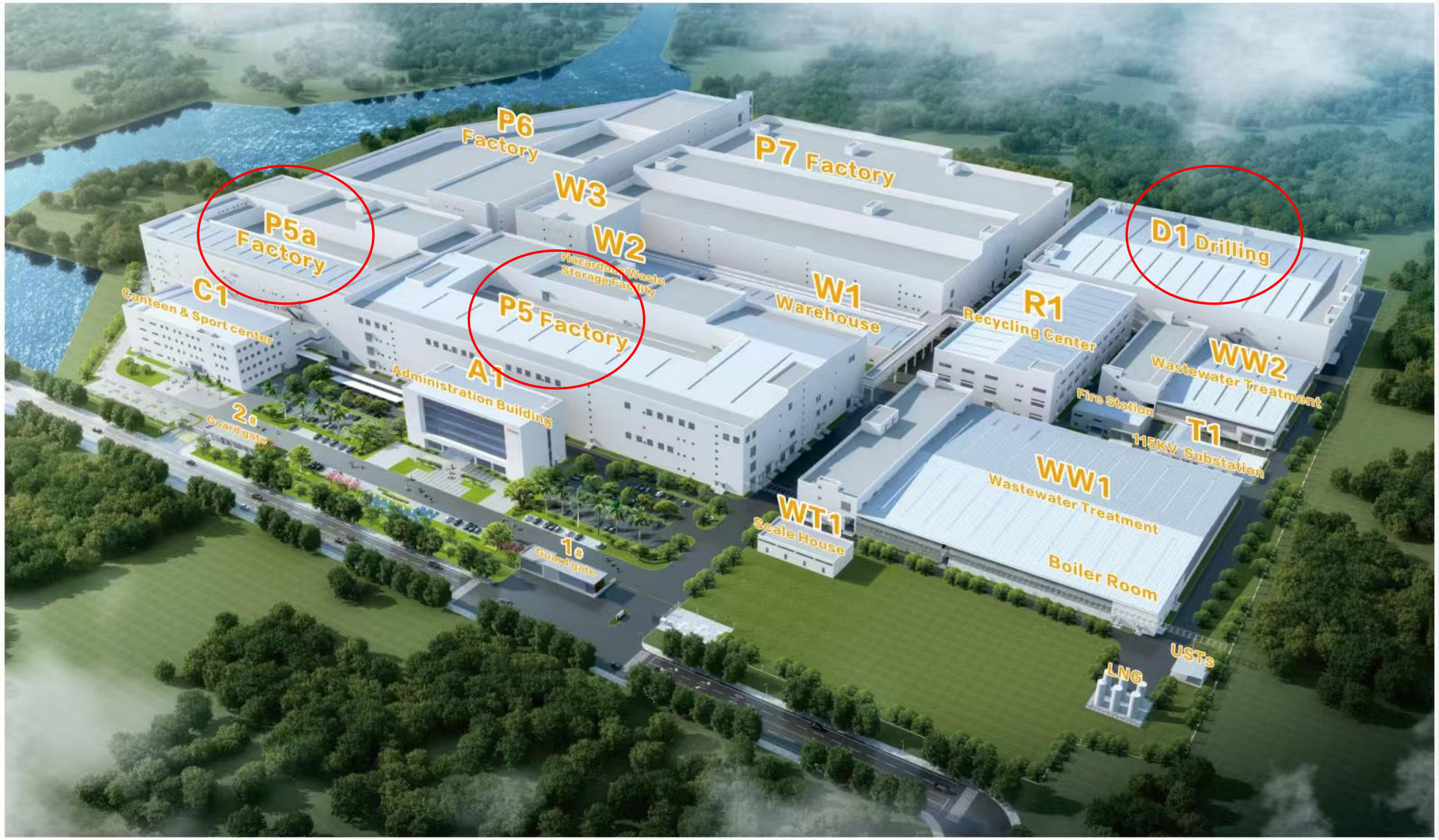
- **FX Risk Management & Hedging Mechanisms:** To address foreign exchange losses, we are actively implementing the following asset-liability management (ALM) and currency hedging strategies:
  - **Optimizing Foreign Currency Debt Structure:** Reducing outstanding liabilities denominated in USD and RMB, while increasing local bank borrowings denominated in Thai Baht (THB).
  - **Executing Forward Hedging Operations:** Flexibly utilizing forward foreign exchange contracts (FX forwards) to purchase foreign currencies when the THB exhibits a depreciating trend against the USD or RMB.
  - **Adjusting Foreign Currency Asset Allocation:** Actively growing our share of foreign-currency-denominated revenues.
  - **Driving Localized Procurement:** Elevating the proportion of supply chain purchasing conducted in THB.

**Implementation & Long-Term Goal:** These counter-measures are progressing steadily. While full realignment takes time and must be executed in phases, we remain committed to our strategic targets. Our ultimate goal is to establish a state of natural hedging, insulating our core operations from FX volatility regardless of currency fluctuations

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# 2026 AI computing capacity expansion at Thailand plant




On August 7, the company announced an incremental capital expenditure budget of NT$8.05 billion for its Thailand plant. This additional investment will be primarily utilized to secure long-lead-time equipment orders, directly addressing the scaling demand from customers for GPU and ASIC applications. The newly added capacity is projected to come online sequentially starting in the fourth quarter of 2027. Looking ahead, this expansion targets an additional annual output value of NT$12.0 billion, which is expected to be fully realized and recognized in 2028.

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# 2026 capacity expansion at Huangshi P3 plant


On August 7, the company announced an incremental capital expenditure budget of NT$9.92 billion allocated for the Huangshi Phase 3 (P3) facility. This expansion is strategically aimed at boosting production capacity for storage devices, high-end automotive applications, and AI servers, covering both high-layer count (HLC) boards and High-Density Interconnect (HDI) technologies. The newly added capacity is scheduled to be phased in sequentially starting in the third quarter of 2027. Once the production lines achieve full ramp-up, the targeted incremental annual output value is projected to reach NT$10.0 billion.

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Dynamic Actions in ESG

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Awards - Ranked Top 5% of Corporate Governance Evaluation

Dynamic Holding is committed to enhancing board functions and information disclosure quality to ensure the protection of shareholder rights. As we look forward to the full-scale mass production of our Thailand plant in 2026, we are transforming our governance excellence into operational resilience, continuing to create long-term, stable value for all stakeholders.



2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Awards - CDP Commercial Bank Program Best Climate Action

Dynamic has been honored with the "Best Climate Action Award" by CDP, a recognition that underscores our exceptional achievements in driving green manufacturing and a low-carbon transition across our supply chain [CDP Commercial Bank Program: Best Climate Action Award]. The company actively collaborates with commercial banks to propel green finance initiatives. Through targeted greenhouse gas (GHG) emission reductions and robust sustainable governance, we are successfully reinforcing our long-term sustainable competitiveness.



2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

# Awards - 2026 ‘Taiwan FINI 100’


Leveraging our robust corporate governance framework and strong capabilities as a core supplier in the global high-end AI PCB supply chain, Dynamic Electronics has stood out among numerous listed companies to be selected for the 2026 ‘Taiwan FINI 100’ by the Taiwan Institute of Directors. We extend our sincere gratitude to global institutional investors for this meaningful recognition. Looking ahead, Dynamic Electronics will continue to firmly embed our ESG sustainability commitments into our core operations, striving to remain a blue-chip enterprise that attracts broad attention and serves as a core, long-term allocation for global value-oriented funds.

Dynamic Holding

2026 © Dynamic Holding Co., Ltd. All Rights Reserved.

Dynamic Holding

# Q&A