

Strong preliminary May profits

Key Takeaways

- ZDT reported May 2026 profit per TWSE regulatory requirements.
- Revenue was NT\$16.2B. NP was NT\$808M (+299% y/y), accounting for 38% of our estimate and 36% of the Street's 2Q26 NP estimates.
- The unaudited preliminary May results imply slight upside to our estimates.

Stay OW: Profitability continues to improve meaningfully, with May net profit increasing approximately 300% y/y. This implies a net profit margin of roughly 5.0%, compared with 1.7% in the prior-year period. May net profit accounted for approximately 38% of our 2Q earnings forecasts, suggesting modest upside risk to our estimates, while remaining broadly in line with consensus expectations; consensus forecasts currently imply a net profit margin of approximately 5.0% for 2Q.

We remain constructive on ZDT, supported by its increasing exposure to key AI-related growth drivers, including ABF substrates, optical transceiver PCBs, and AI server PCBs, which we believe will continue to support earnings growth and margin expansion over the medium term.

Related reports:

Greater China Technology Hardware: Optics Drives the Board: PCB Beneficiaries of the AI Interconnect Build-out (12 Jun 2026)

Greater China Technology Hardware: ABF Substrates: Same Thesis, Better Numbers. (18 May 2026)

Exhibit 1: Yageo preliminary May 2026 profit announcement

NT\$ M	2Q26				
	May-26	May-25	y/y	MSe	Cons
Revenue	16,201	11,791	37%	48,174	47,010
Pre-tax profit	1,317	169	679%	4,173	4,288
Net profit	808	202	299%	2,121	2,350
EPS (NT\$)	0.75	0.20	274%	1.98	2.11
Pre-tax margin	8.1%	1.4%		8.7%	9.1%
Net margin	5.0%	1.7%		4.4%	5.0%

Source: Company data, Visible Alpha consensus, Morgan Stanley Research (MSe) estimates.

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Zhen Ding (4958.TW, 4958 TT)

Greater China Technology Hardware Taiwan				
Stock Rating	Overweight			
Industry View	In-Line			
Price target	NT\$666.00			
Up/downside to price target (%)	7			
Shr price, close (Jun 22, 2026)	NT\$622.00			
52-Week Range	NT\$654.00-95.70			
Sh out, dil, curr (mn)	1,070			
Mkt cap, curr (mn)	US\$21,016			
EV, curr (mn)	US\$20,675			
Avg daily trading value (mn)	US\$172			
Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT\$)**	6.91	14.46	24.21	33.37
Prior EPS (NT\$)**	-	-	-	-
EPS (NT\$)§	8.38	13.44	23.92	32.76
Revenue, net (NT\$ mn)	182,522	226,287	291,591	337,349
EBITDA (NT\$ mn)	32,599	34,460	51,041	67,183
ModelWare net inc (NT \$ mn)	6,791	15,470	25,909	35,713
P/E	20.6	43.0	25.7	18.6
P/BV	0.8	3.6	3.3	3.0
RNOA (%)	7.6	12.4	18.2	24.2
ROE (%)	4.5	9.1	14.2	17.7
EV/EBITDA	4.0	19.3	12.8	9.5
Div yld (%)	3.4	0.6	1.0	1.7
FCF yld ratio (%)	(4.9)	(1.0)	2.7	3.9
Leverage (EOP) (%)	(18.7)	(12.4)	(16.9)	(21.8)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

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Valuation Methodology and Risks

Zhen Ding (4958.TW)

Base case, residual income model. Key assumptions include a cost of equity of 10%, a medium-term growth rate of 15% and a terminal growth rate of 3%.

Risks to Upside

- Higher-than-expected F-PCB content increase for iPhones
- Better-than-expected production yield/share allocation for SLP
- Share gains on higher margin F-PCB pieces

Risks to Downside

- Worse-than-expected iPhone sell-through
- Lower-than-expected F-PCB content increase for iPhones
- Worse-than-expected production yield/share allocation for SLP
- Increasing competition from Chinese peers, intensifying pricing pressure



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(as of May 31, 2026)

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
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Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

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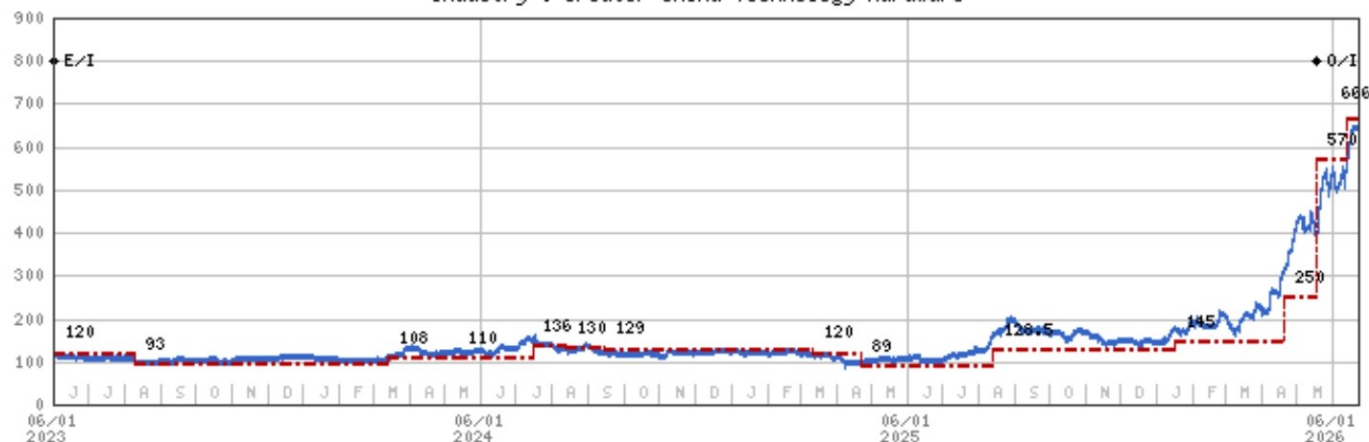
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Zhen Ding (4958.TW) - As of 06/22/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 6/1/21 : U/I; 8/2/22 : E/I; 5/18/26 : O/I

Price Target History: 3/30/21 : 105; 8/2/22 : 124; 11/4/22 : 126; 3/14/23 : 120; 8/10/23 : 93; 3/13/24 : 108; 5/11/24 : 110; 7/15/24 : 136; 8/13/24 : 130; 9/15/24 : 129; 3/12/25 : 120; 4/23/25 : 89; 8/13/25 : 128.5; 1/16/26 : 145; 4/20/26 : 250; 5/18/26 : 570; 6/12/26 : 666

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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/22/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$47.10
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb276.08
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$22.66
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.76
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.50
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb579.97
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$774.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.99
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb32.83
Largan Precision (3008.TW)	E (10/17/2025)	NT\$5,185.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb8.29
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.19
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK\$8.38
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb51.15
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK\$36.44
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb55.82
Sunny Optical (2382.HK)	E (03/23/2026)	HK\$79.35
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb326.12
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb16.28
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$23.72
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb518.71
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$286.00
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb117.49
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb35.53
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,382.33
ZTE Corporation (0763.HK)	O (06/04/2026)	HK\$25.70

ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb39.43
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$2,595.00
Advantech (2395.TW)	O (01/20/2021)	NT\$499.50
AirTAC International (1590.TW)	O (04/16/2025)	NT\$1,395.00
AU Optronics (2409.TW)	E (02/10/2026)	NT\$30.95
Bizlink (3665.TW)	O (03/10/2025)	NT\$1,990.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb6.93
Chenbro (8210.TW)	O (07/23/2025)	NT\$1,370.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$2,310.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT\$203.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$72.90
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT\$343.50
Innolux (3481.TW)	E (04/07/2025)	NT\$66.00
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$7,550.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb53.81
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$90.20
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb19.29
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.99
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb9.28
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb213.80
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT\$34.00
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT\$788.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$37.50
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK\$8.27
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT\$339.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$1,395.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb66.20
Lenovo (0992.HK)	E (11/16/2025)	HK\$23.30
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$2,315.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT\$864.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT\$82.00
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$380.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb184.50
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb457.34
Unimicron (3037.TW)	O (02/23/2026)	NT\$1,005.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$162.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT\$4,855.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT\$1,065.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT\$622.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$2,420.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$1,075.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT\$206.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$2,150.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT\$1,820.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb78.88
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$58.00
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb23.72
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$268.50
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT\$2,375.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb16.68
Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$231.50
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb68.40

Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$150.00
Tong Hsing (6271.TW)	E (03/18/2019)	NT\$266.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$409.50

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