

## INVESTOR RELATIONS

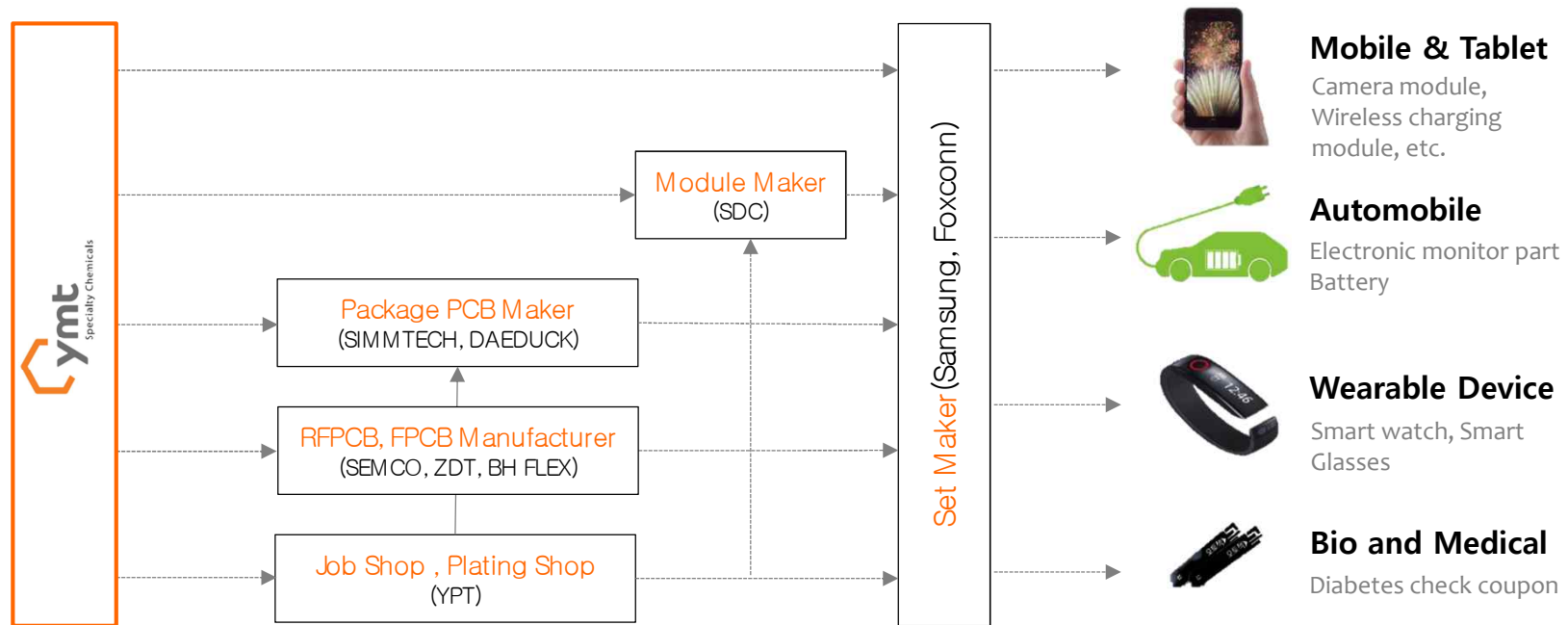
2019. 1Q YMT IR BOOK

Your Most trustworthy



Company Introduction

YMT is a global company that directly researches, produces, and supplies high value-added plating chemicals for high-end PCB manufacturing processes.



YMT is chemical & electronic materials supplier for F/RF-PCB manufacturers located in Korea, China, and Vietnam. Based on plating, technology in PCB field, YMT is expanding the market to PKG PCB and electronic materials.

Company Introduction

# GLOBAL NETWORK

## YMT HQ

- Incheon, Korea
- 142 employees (HQ), / 250 employees (Total)
- 2 R&D Centers
- Main Manufacturing location

### YMT China (Shenzhen) Co., Ltd

No.509, Hongan Business Center, Xinqiao Integration BLDG, Beihuan RD, Shajing St, Baoan District, Shenzhen, CN518125  
Tel +86-755-2946-6201

### YMT China (Shenzhen) Kunshan Branch

Lujia Town, Kunshan City, Jiangsu Province Hefeng Willang, Jinzhu Road No.18 CN215331  
Tel +86-0512-3669-8439

### YMT Taiwan Branch

1F, No.51, Housheng RD, Luzhu City, Taoyuan County 338, Taiwan  
Tel +886-3-3220808

### Rizhao Factory

South of Shanghai RD, West of Xian Dai RD, Rizhao Economic Development Zone Rizhao City, Shandong Province, China 276800  
Tel +86-633-227-8778

### YMT Vina(Vietnam) Co., Ltd

F6, Room602, MB Bac Ninh Building, No.24, Ly Thai To Street, Bac Ninh City, Vietnam  
Tel. +84-24-1625-1238 Fax. +84-24-1625-1288

### YMT Europe Office

Drahobejova 1019/27, Praha 9 - Libeň (Zip : 19000)

### 본사/1공장 HQ/Factory 1

인천광역시 남동구 남동대로 153번길 30  
Tel, 032-821-8277 Fax, 032-821-8271

### 2공장 Factory 2

인천광역시 남동구 청남대로 337  
Tel, 032-821-8277 Fax, 070-4009-0403

### 와이피티(주) YPT Co., Ltd.

경기도 안산시 단원구 신원로 147  
Tel, 031-492-8278 Fax, 031-493-8278

### 부산출장소

부산광역시 강서구 녹산산단 382로 14번길길 20  
부산청정도금센터 406호  
Tel, 070-7596-2510 Fax, 051-714-5270



Customer List

|  |  |
|--|--|
| PCB<br>Maker<br><br>Direct<br>Customer |        |
|  |        |
|  |        |
| Set<br>Maker                           |       |
| Semi-conductor<br>Maker                |      |
| Display<br>Maker                       |      |

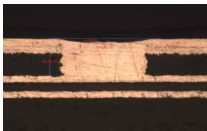
Products Introduction

Chemical Business



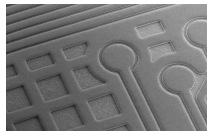
Finish Plating Chemical

- Plating PCB surfaces by using precious metals such as gold and palladium.
  - ✓ 1st in global market share in gold plating for F/RF-PCB
  - ✓ Adopted by Apple, Samsung



Copper Plating Chemical

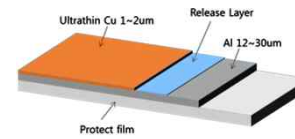
- Process for forming an electrical connection between layers of Multi layer substrate
  - ✓ Electroless Copper plating
  - ✓ Electronic Copper plating



Process Chemical

- Etching, developing and other chemical to form circuitry of substrate
  - ✓ Etching, developing and other chemical for PCB
  - ✓ Process Chemical for MSAP
  - ✓ Flux Cleaner

Others



Electronic Materials

- Materials
  - ✓ Ultra-thin copper Foil
  - ✓ EMI Shield
- Roll to Roll
  - ✓ RTR copper plating outsourcing



Plating Outsourcing [YPT]

- Gold plating outsourcing
  - ✓ FPCB, RFPCB
  - ✓ PCB for Camera module
- Via-fill copper plating outsourcing



Facility [Beyond Solution]

- Gold and copper plating facility sales, installation and maintenance services
  - ✓ Selling bundled with YMT chemical
  - ✓ Via-fill facility improvement, customer relocation to Vietnam, etc.

2019 Business Forecast

1) Launching of Foldable Smartphone, 2) Opening of 5G Market.

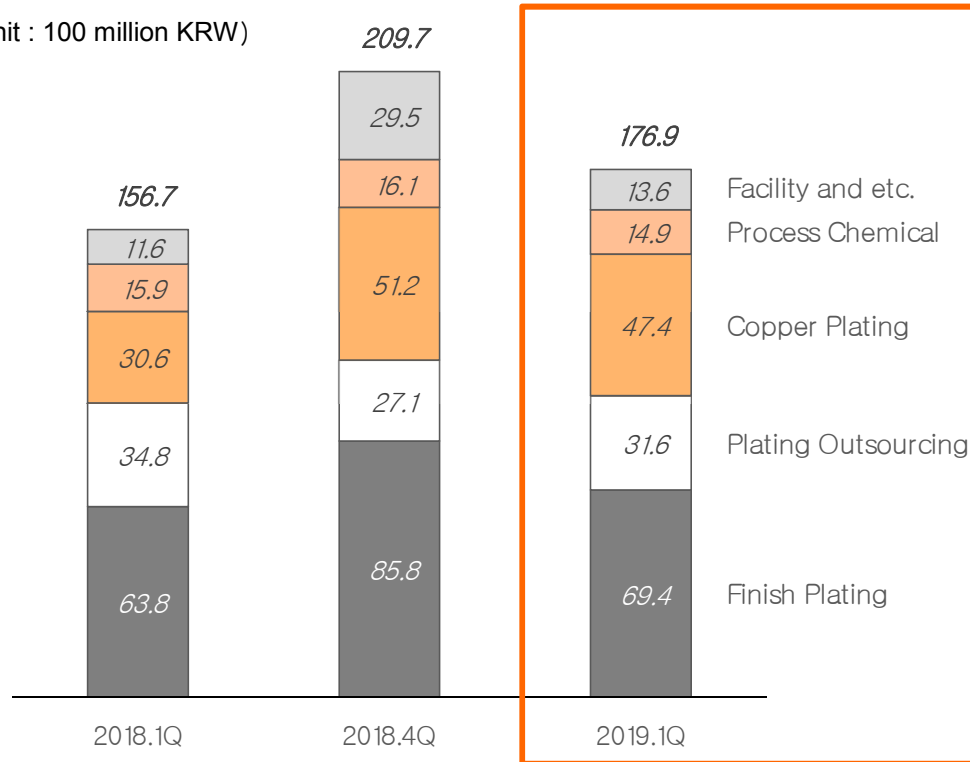


| Increased number of PCBs per unit  | High-Specification of PCB  | Material change  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• <b>Increased mounting of display panels</b> <ul style="list-style-type: none"> <li>✓ 2 panels in a Galaxy Fold</li> <li>✓ This increases PCB for display.</li> </ul> </li> <li>• <b>Increased PCB for batteries</b> <ul style="list-style-type: none"> <li>✓ Increased battery pack as display area and number of displays increase</li> </ul> </li> <li>• <b>Increase the number of camera modules</b> <ul style="list-style-type: none"> <li>✓ Total of 6 camera modules</li> </ul> </li> <li>• <b>Changing antenna specifications from LDS to FPCB</b> <ul style="list-style-type: none"> <li>✓ Switching to thin FPCB due to increasing number of antennas for 5G high frequency</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Expanding the SLP market</b> <ul style="list-style-type: none"> <li>✓ Insufficient space due to expansion of modules such as batteries</li> <li>✓ Essential HDI miniaturization</li> </ul> </li> <li>• <b>Fine pitch needs increased</b> <ul style="list-style-type: none"> <li>✓ PCB area is reduced, but circuit area in PCB is increased</li> <li>✓ Increasing high-specific chemical needs</li> </ul> </li> <li>• <b>Extend high-layer PCB</b> <ul style="list-style-type: none"> <li>✓ Increased needs for high-layer PCBs as PCB areas are reduced</li> <li>✓ Expanding market needs for high-end, high-layer PCB technologies such as Via-fill</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Increased needs for ultra-thin copper foil</b> <ul style="list-style-type: none"> <li>✓ Material essential to PCB's light, thin, short, small trend as like SLP</li> </ul> </li> <li>• <b>Change of EMI shielding materials</b> <ul style="list-style-type: none"> <li>✓ Mobile shielding materials change for 5G high frequency</li> </ul> </li> <li>• <b>Material change to prevent loss of signal transmission rate</b> <ul style="list-style-type: none"> <li>✓ Change of materials and processes are required to prevent signal loss, which is most important in 5G.</li> <li>✓ Released Low-roughness ultra-thin copper foil, Non etching low profile roughness chemicals, etc.</li> </ul> </li> </ul> |
| <p>Prospect to benefit major customers<br/>Scale up the PCB overall market</p>   | <p>Expectations of chemical ASP's rise<br/>Initial sell to major customers is currently under way</p>  | <p>Nanotus(Non etching process) is under development. Testing in ultra-thin copper foil with major customers</p>   |

Sales Result

- Finish Plating
- Plating Outsourcing
- Copper Plating
- Process Chemical
- Facility and etc.

(Unit : 100 million KRW)



- **The biggest revenue in 1Q is achieved with 17.7 billion KRW**
  - ✓ 2 billion KRW (12.9%) increase compared to the same period of last years.
- **Continued growth of Copper-Plating chemicals**
  - ✓ 1.7 billion KRW (55.1%) increase compared to the same period of last years.
  - ✓ Expect amplification effect within 3Q, full-scale mass-production period of customers
- **Improved sales performance of overseas sales companies**
  - ✓ Continuing to expand market share in China
  - ✓ Continuing to improve performance of Vietnamese corporations
- **Plating outsourcing(YPT) revenue are recovering compared to 2018 4Q.**
  - ✓ Recovery of Finish Plating outsourcing such as PCBs for camera modules
  - ✓ Small increase of Via-fill outsourcing

2019. 2Q Business Forecast

**Market Forecast**

- North America and domestic mobile vendors will begin mass production of new models (in June)
- Chemical and plating outsourcing sales expected to rise, due to mass production schedule of major customers

**Chemical Business**

**Finish Plating Chemical**

- Prospects for expanding sales of materials related to increasing PCB for OLED
- Growth in sales of materials for camera modules in China due to expansion of dual or triple camera adoption
- Expect growth in the market with the start of mass-production of customers in Vietnam

**Copper Plating Chemical**

- Growth is expected due to increased market volume and market share within customers
- Expand new sales related to electronic copper plating (Via-Fill)

**Process Chemical**

- Prospects to increase sales and acquire new customers related to SLP and PKG PCBs
- Entering the new process market for 5G, as like Nanotus, low-roughness etching process, etc.

**Others**

**Plating Outsourcing**

- Completion of Vietnam plant is scheduled in June, gold plating outsourcing will be mass-produced in 1st half of this year
- YPT expects to start Via-fill mass-production in this year and sales will be increased than last year

**Electronic Materials**

- Sales related to domestic Signage (OLED panel) manufacturers
- EMI shielding materials are currently being promoted to customers
- Copper foil import/processing business is deciding on approval for mass-production by customers and is expected to be supplied within first half of this year.

**Facility and etc.**

- Increase in facility sales due to transfer of customers to foreign countries and increase sales of high-quality PCB plating facilities
- Launch of facility business in China market



Income Statement

(Unit : 100 million won)

|                                   | 2019. 1Q | %     | 2018. 1Q | %     |
|-----------------------------------|----------|-------|----------|-------|
| I. Sales                          | 176.9    | 100%  | 156.7    | 100%  |
| II. Cost of sales                 | 112.8    | 63.8% | 95.7     | 61.1% |
| III. Gross profit                 | 64.1     | 36.2% | 60.9     | 38.9% |
| Sales and administrative expenses | 30.5     | 17.3% | 28.0     | 17.9% |
| IV. Operating income              | 33.6     | 19.0% | 32.9     | 21.0% |
| Other gains                       | 2.5      | 1.4%  | 1.4      | 0.8%  |
| Other losses                      | 0.3      | 0.2%  | 0.9      | 0.6%  |
| Finance income                    | 4.7      | 2.7%  | 1.3      | 0.8%  |
| Finance costs                     | 2.6      | 1.5%  | 4.5      | 2.9%  |
| Losses on equity method           | 0.1      | 0.1%  | -        | -     |
| V. Profit before tax              | 38.0     | 21.5% | 30.2     | 19.3% |
| Income tax expense                | 4.8      | 2.7%  | 7.5      | 4.8%  |
| VI. Profit                        | 33.2     | 18.8% | 22.6     | 14.4% |

Profitability Indicator

|                         | 2019.1Q          | 2018.1Q          |
|-------------------------|------------------|------------------|
| Operating profit ratio  | 19.0%            | 21.0%            |
| Capital net profit rate | 18.8%            | 14.4%            |
| EBITDA (percent margin) | 49.3<br>(27.87%) | 40.6<br>(25.94%) |
| ROE                     | 3.85%            | 2.80%            |
| Asset turnover ratio    | 13.57%           | 13.71%           |

Balance Sheet

(Unit : 100 million won)

|                                     | 2019.1Q        | 2018           |
|-------------------------------------|----------------|----------------|
| <b>Assets</b>                       |                |                |
| Cashable assets                     | 300.7          | 276.1          |
| Trade receivable                    | 220.5          | 206.6          |
| Tangible assets                     | 578.0          | 560.5          |
| Other assets                        | 237.2          | 227.6          |
| <b>Total assets</b>                 | <b>1,336.4</b> | <b>1,270.8</b> |
| <b>Liabilities</b>                  |                |                |
| Trade payables                      | 38.7           | 37.8           |
| Borrowings                          | 348.8          | 329.9          |
| Convertible bond                    | 69.0           | 68.9           |
| Other liabilities                   | 97.6           | 90.1           |
| <b>Total liabilities</b>            | <b>554.1</b>   | <b>526.7</b>   |
| <b>Equity</b>                       |                |                |
| Issued capital                      | 37.0           | 37.0           |
| Capital surplus                     | 219.5          | 219.5          |
| Retained earnings                   | 428.6          | 403.4          |
| Other equity                        | 97.1           | 84.2           |
| <b>Total equity</b>                 | <b>782.2</b>   | <b>744.1</b>   |
| <b>Total equity and liabilities</b> | <b>1,336.4</b> | <b>1,270.8</b> |

Cash Flow

(Unit : 100 million won)

|   | 2019.1Q       | 2018.1Q      |
|---|---------------|--------------|
| Cash at beginning of period                 | 276.1         | 224.2        |
| <b>Cash flows from operating activities</b> | <b>25.0</b>   | <b>10.3</b>  |
| Profit                                      | 33.2          | 22.6         |
| Depreciation cost                           | 8.9           | 7.4          |
| <b>Cash flows from investing activities</b> | <b>(25.0)</b> | <b>(7.8)</b> |
| Purchase of tangible asset                  | (26.1)        | (6.7)        |
| <b>Cash flows from financing activities</b> | <b>18.9</b>   | <b>(1.8)</b> |
| Proceeds (repayments) of borrowings         | 18.9          | (1.8)        |
| Net increase in cash                        | 18.9          | 0.7          |
| Effect of exchange rate changes             | 5.7           | 3.7          |
| Cash at end of period                       | 300.7         | 228.7        |

END OF DOCUMENT

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Thank you.