

Investor Relations 3Q.2018

Your most trustworthy

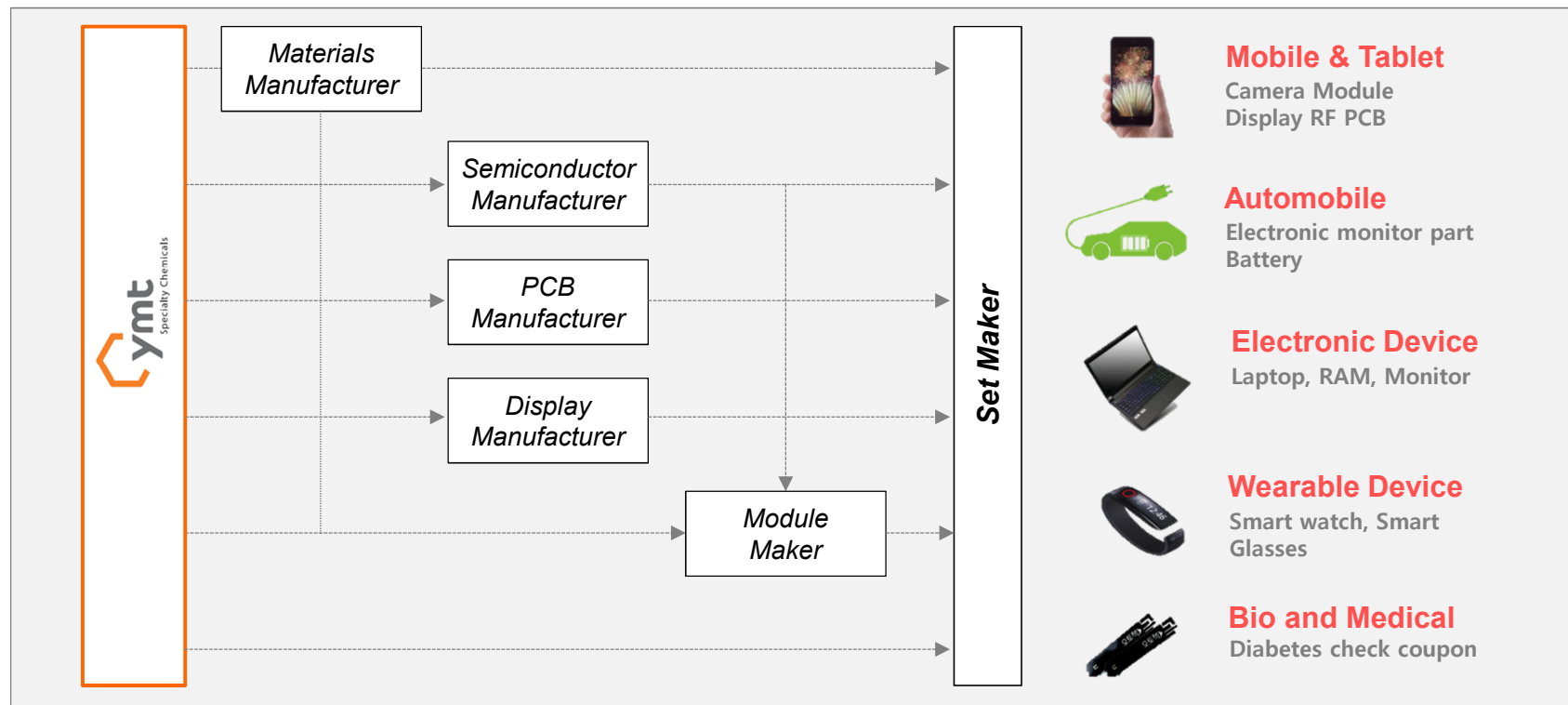


COMPANY PROFILE

Business Overview

YMT is chemical manufacturing company for PCB and Semiconductor field. YMT chemical is mainly used for FPCB, RFPCB part of I-Phone and Galaxy series.

- ✓ Sales Category: Gold Plating chemical [Soft ENIG / ENIG / ENEPIG] , Copper plating chemical, Process Chemical
- ✓ Major Customer: ZDT [Foxconn], SEMCO, Youngpoong, BH Flex, Daeduck



COMPANY PROFILE

Location & Subsidiaries

YMT HQ

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

YMT China (Shenzhen) Co., Ltd

No.509, Hongan Business Center, Xinqiao Integration BLDG,
Beihuan RD, Shajing St, Baoan District, Shenzhen, CNS18125
Tel. +86-755-2946-6201

YMT China (Shenzhen) Kunshan Branch

Lujia Town, Kunshan City, Jiangsu Province Hefeng
Village, 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

본사/1공장 HQ/Factory 1

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

2공장 Factory 2

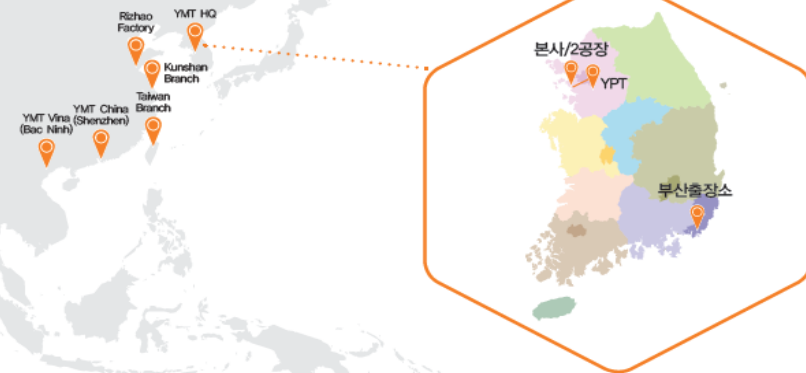
인천광역시 남동구 청능대로 337
Tel. 032-821-8277 Fax. 070-4009-0403

와이피티㈜ YPT Co., Ltd.

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

부산출장소

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



Supplier of Advanced Electronic Materials

Total Solution for Customer

YMT offers total solution for PCB manufacturing chemical based on own technology from Etchant to Gold plating chemical.



Finish Plating Chemical

Soft ENIG Process

- ✓ CF 300 Series
- ✓ MIKO Series

ENIG Process

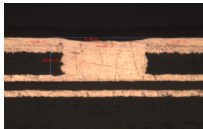
- ✓ PEN 855 Series

ENEPIG Process

- ✓ ELP Series
- ✓ IR Gold Series

TIN Plating process

- ✓ Bright and Matte finish
- ✓ Immersion tin process



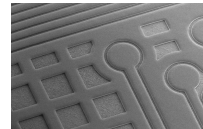
Copper Plating Chemical

Electroless Copper plating

- ✓ Desmear Process
- ✓ HVF Series
- ✓ MJH Series

Electronic Copper plating

- ✓ BJ series
- ✓ HBJ Series(Half-fill)
- ✓ VFBJ Series(Via-fill)



Process & Display Chemical

DES Chemical

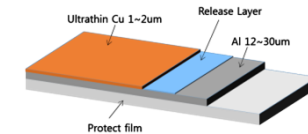
- ✓ DR Series
- ✓ SE Series
- ✓ SAC Series

Cleaner

- ✓ FXC Series
- ✓ TDF / MDF Series

Others

- ✓ Gold Recover
- ✓ Foamkiller Series
- ✓ CAROAT



Electronic Materials

Materials

- ✓ Ultra-thin copper Foil
- ✓ FCCL

Roll to Roll

- ✓ RTR outsourcing

Outsourcing Plating

Gold plating Outsourcing

- ✓ Soft ENIG / ENEPIG

Via-fill copper plating

Increase in sales related to OLED RFPCB

- Increased sales of chemical that applies to RFPCB 5 layers for Display flex of iPhone XS/XS MAX, 2 types.
- However, unlike iPhone X which was applied to two modules (Display Flex, TSP) as RFPCB 5 layer, XS/XS MAX only applies to one module (Display Flex) as RFPCB. So, the number of Korean customer and domestic product quantity are reduced.
- Meanwhile, as RFPCB for TSP is converted to MFPCB, sales of chemicals to Chinese customers that produce MFPCB are increasing.

Increase in sales of Cu plating chemical

- Launching for copper plating chemical products to Korean PCB manufacturers in China.
- As production base moved from Korea to Vietnam, YMT sales of copper plating chemical to customers in Vietnam are expanding.
- Start to apply Cu Plating chemical to Taiwan's customers' copper plating lines, it means overseas PCB manufacturers have the reliability about our copper plating chemical.

Decrease in sales of YPT

- Performance of YPT, an outsource plating supplier, was reduced due to reduction of overall domestic mobile phone shipments as well as premium phones such as Galaxy S9 and Note9.
- With the domestic mobile phone market slowing down and amount of camera module production is moved to China, domestic camera module market and associated outsourcing is decreased.
- But YPT's performance is expected to improve as overseas relocation volumes will be returned to domestic camera module companies in 2019.
- From an total enterprise perspective, sales of YPT have decreased due to decreased camera module production in Korea, but sales of YMT Shenzhen have reduced losses due to increased chemical sales in China.
- Mass production test is in progress for Via-Fill Line, and reliability test period for PKG is longer than expected. It is currently scheduled to mass-produce within 4Q. YPT's performance will be improved if production of copper plated outsourcing begins.

- **iPhone XS Sales Volume Risk Exists**

- There's risk for reduction the sales volume for iPhone XS in 4Q
- As Apple takes high price policy, apple's vendor takes quantity.

- **Begin of Sales Related to PCBs for Apple Accessories**

- NEW market : accessories and Laptops (Korean PCB manufacture takes order from Apple, it is also RFPCB)
- This will be steady sales which is not related with mobile, and as the popularity of accessories increases, we look forward to expanding sales in new markets.

- **Launching for Ultra thin copper foil for EMI shield**

- Copper Foil for EMI Shield is testing in 4Q and it will be started mass-production in 1Q 2019.
- In addition, we are currently conducting a sample test of copper foil(contractured with China's C company) for FCCL and CCL with leading Korean PCB manufacturers.
- For mass production, we currently set up facilities, Such as Slitting and Clean Room

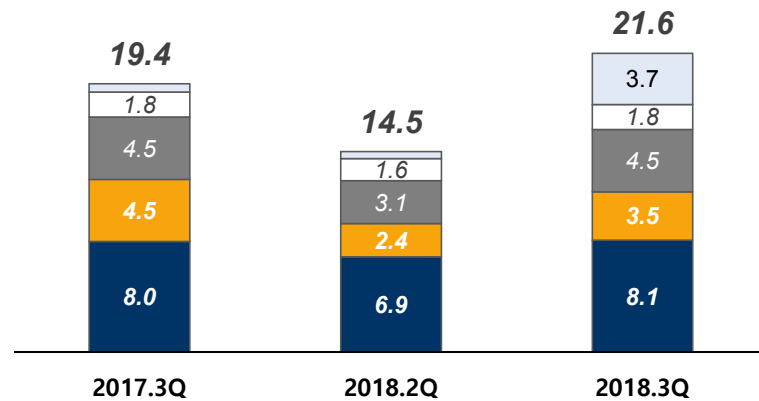
- **YPT(out-sourcing plating) Sales Recovery**

- While FPCB gold plating will be flat next year, Outsourcing quantity for Camera module PCBs will be increasing next year.
- Because mass-production of copper plating Via-Fill starts from 4Q, YPT sales and margin rate is expected to improve performance compared to this year.

Sales by business area

(Unit : Billion KRW)

■ Finish plating ■ YPT ■ Copper plating □ Process Chemical □ ETC



(Unit : Billion KRW)

	2017.3Q	2018.2Q	2018.3Q
<i>Total</i>	19.4	14.5	21.6
<i>Finish plating</i>	8.0	6.9	8.1
<i>YPT(Plating Outsourcing)</i>	4.5	2.4	3.5
<i>Copper plating</i>	4.5	3.1	4.5
<i>Process Chemical</i>	1.8	1.6	1.8
<i>Facility and ETC</i>	0.6	0.5	3.7

Achieve quarterly maximum sales

- Although customer mass-production began after mid-August, we achieved record-high Chemical sales.
- Chemical sales increased related to Display Felx (RFPCB 5 Layer) of Korean Customers. And increased sales in China (increased 10% YoY), especially sales related to MFPCB for TSP and camera modules expanded due to increased market share.

Increase in sales of plating equipment

- ✓ Beyond Solution expanded sales from KRW 1.2 billion in 3Q.2017 to KRW 28 billion in 3Q.2018.
- ✓ It implies that YMT has a Mkt power to customer as combining with machine and chemical like global competitors.

Expansion of overseas market share

- ✓ The increase in demand for chemical by Chinese companies led to a 20% increase(approximately 2 billion won, YoY) in sales of YMT Shenzhen. YMT Vina sales also grew 1.6 billion (300%, YoY) as domestic customers moved to Vietnam.

Supplier of Advanced Electronic Materials

3Q. 2018 Income Statement

Income statement (the last 3 months) (Unit : 100 million won)

	3Q.2018	3Q.2017
I. Sales	216.1	194.5
II. CoGS	122.8	109.9
III. Gross profit	93.3	84.6
IV. Operation profit	62.0	59.1
Non Operating income	1.6	4.7
Non operating cost	0.6	3.5
Financial Income	0.2	1.3
Financial cost	5.0	1.6
V. Profit before tax	58.2	60.0
Tax	14.6	12.9
VI. Net profit	43.6	47.1

Income statement (Unit : 100 million won)

	3Q.2018	3Q.2017
I. Sales	517.8	481.9
II. CoGS	315.7	287.4
III. Gross profit	202.1	194.5
IV. Operation profit	108.6	115.3
Non Operating income	6.3	8.8
Non operating cost	8.6	8.9
Financial Income	10.7	3.1
Financial cost	11.9	35.5
V. Profit before tax	105.1	82.8
Tax	24.5	24.4
VI. Net profit	80.6	58.4

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