

Asia Electronic Material Co., Ltd.(4939)

2024 Third Quarter Investor Conference
2024/11/08

Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us. We under take no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

Agenda

AEM Overview

Competitiveness

Financial
Results

Future Outlook

AEM Overview

Basic

- ◆ Established in 2003
- ◆ Headquarters in Hsinchu, Taiwan
- ◆ Manufacturing bases : Kunshan 、 Dongtai
- ◆ Public company listed on OTC since 2011
- ◆ Chairman and General manager : Addison Lee
- ◆ 246 employees worldwide(2024/9/30)



History

2003.07
Established

2011.09
IPO

2009.02
Halogen
free
totally

2013.0
8
EMI

2014.02
CAF and
high
frequency
materials

2018.05
Dongtai
APLUS
establish
ed plan

2022.01
Dongtai
APLUS
mass
production

2024
Dongtai APLUS
establish
Fluorine
material &
Roll to Roll*
production line

*FCCL 400°C-Roll to Roll Type N2
Furnace

Business Locations



Products



3Layer-S/D



2Layer-S/D



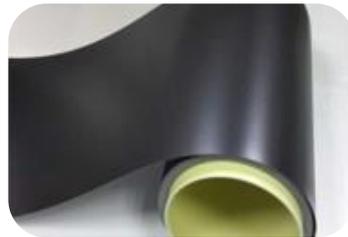
Coverlay



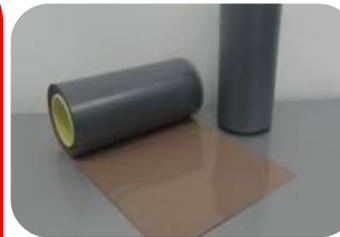
High frequency BS



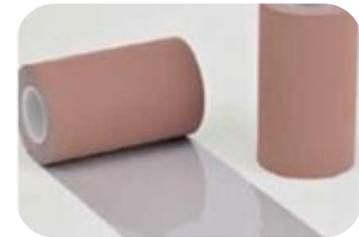
CF/SF



SF-Black

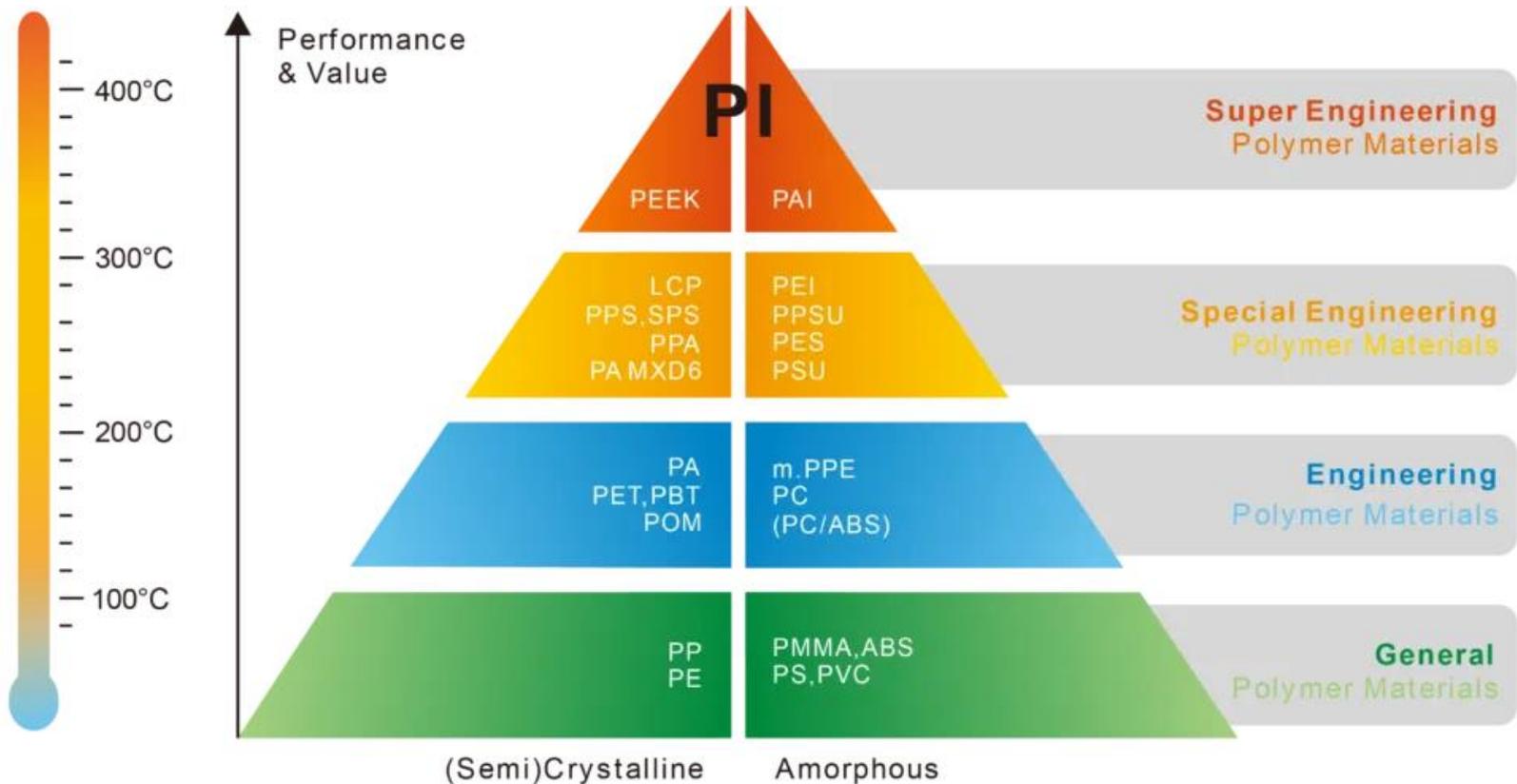


EMI



CAF

PI performance is at the pinnacle of polymer materials.



Bonding Sheet

Epoxy resin
AFEB
(Halogen)

MPI-HFBS

Epoxy resin
AFEB
(Halogen-free)

Acrylic-700

Acrylic-600
MPI-SFBS

MPI-TFBS

MPI-EFBS-K
MPI-EFBS-A-UV
EFBS-K3

2008

2010

2011

2015

2016

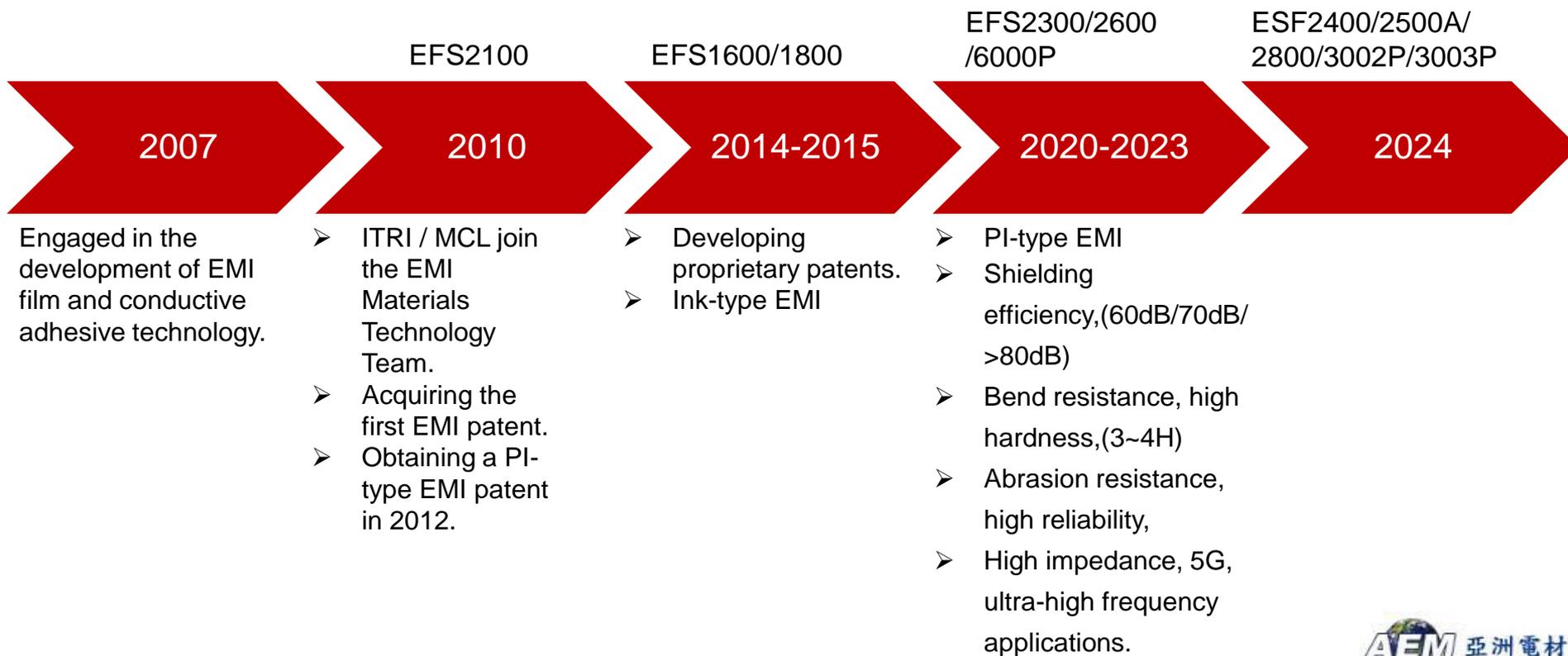
2018

2019

Open a case :
Bonding
Sheet

- Waterproof design with low water absorption rate.
- Excellent high-temperature and high-humidity resistance.
- Outstanding steam cooking test performance.
- Exceptional storage stability.
- Low transmission loss characteristics (Dk:2.78,Df:0.005)
- Outstanding ion migration properties
- Good operability
- Low transmission loss characteristics (Dk:2.60/2.90,Df:0.002)
- Outstanding ion migration properties
- Good operability

EMI



Conductive Material

2012

Open a case :
Conductive
plastic

CAF200

2014

- Independent patent technology development.
- Conductivity $\leq 1\Omega$ ($\varphi \geq 0.1\text{mm}$)
- Excellent storage stability.
- High peel strength.

CAF300

2017-2018

- Independent patent technology development.
- Conductivity $\leq 1\Omega$ ($\varphi \geq 0.6\text{mm}$)
- Excellent storage stability.
- Outstanding reliability.
- High peel strength.

CAF300T

2021-2024

- Independent patent technology development.
- Conductivity $\leq 1\Omega$ ($\varphi \geq 0.4\text{mm}$)
- High dependability.
- Excellent storage stability.
- Outstanding reliability.
- High peel strength.

In-house PI type coverlay

ML3010/3015

HPB

HPBM

2017

2019-2023

2021-2024

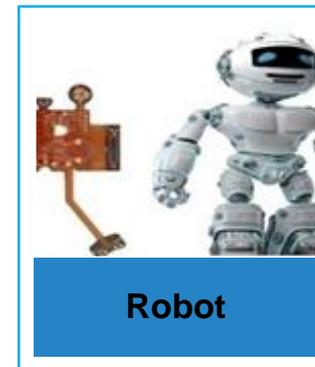
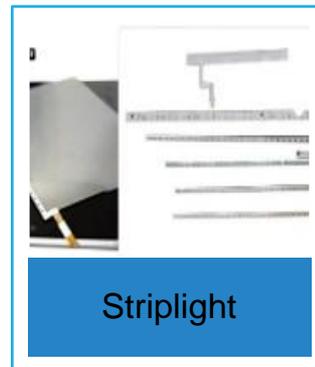
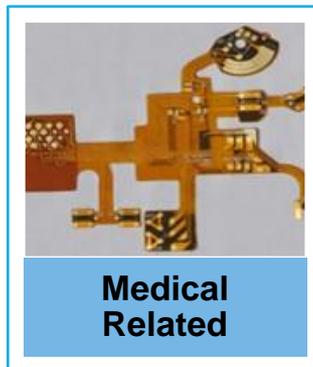
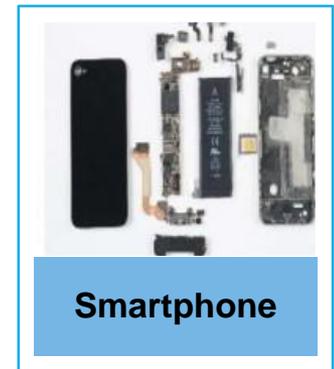
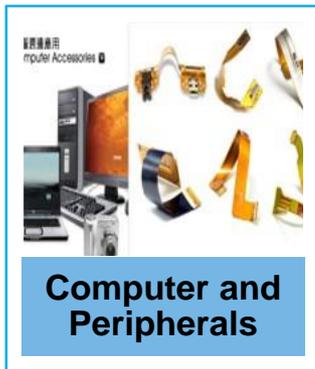
Open a case :
PI coverlay

- In-house ultra-thin PI design.
 - Excellent dimensional stability.
 - Custom roughness design.
 - Outstanding operability.
 - Exceptional alkali resistance.
 - Excellent filling capability.
- In-house PI design achievable at 3 μ m.
 - Dimensional stability $\leq \pm 0.02\%$.
 - Custom roughness design.
 - Excellent operability.
 - Outstanding alkali resistance.
 - Low moisture absorption with PI + MPI.
 - Excellent filling capability.
 - Long storage life.
 - Meets ultra-fine circuit ion migration resistance requirements.

Patent

Type	Passed	Ongoing	Total
Coverlay	76	17	93
Stiffener	24	12	36
FCCL	140	13	153
Bonding Sheet	7	0	7
EMI	37	12	49
Conductive Material	18	3	21
Other	50	0	50
Total	352	57	409

Product Applications



Dividend

Years	EPS(NT\$)	Cash dividend per share(NT\$)	%
2017	1.21	0.50	41%
2018	1.14	0.50	44%
2019	0.36	0.25	69%
2020	1.61	1.25	78%
2021	1.76	1.40	80%
2022	0.35	0.48	137%
2023	0.37	0.50	135%

Competitiveness

Professional team

- With FPC professional manufacturer and service team for customers
- Manufacturing and develop group with experience and best quality

The layout and division of the two sides

- Close to the key market(China) and grasp it well
- The dedicated and high efficient mechanism on research and development
- The layout of patent groups on both sides

Intensive equipment and management

- Continuous R 2 R automation manufacturing equipment
- Monitoring feedback system by real-time on-line parameter
- On-line CCD appearance check & film thickness monitoring system
- The logistics management of Barcode can be traced

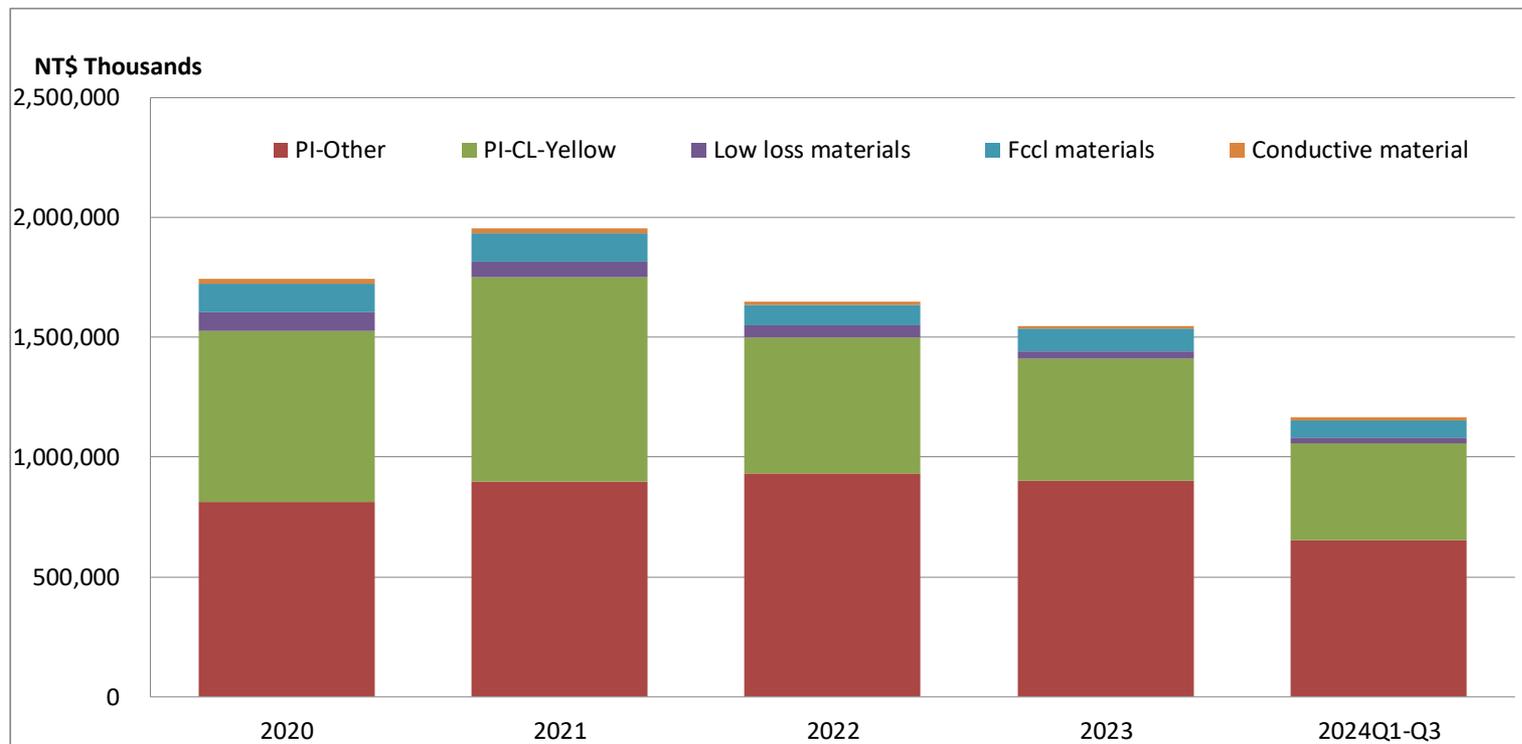
Financial Results

Consolidated Statements Of Comprehensive Income

Unit : In Thousands of New Taiwan Dollars

	2024/Q3	2024/Q2	2024/Q1	2023/Q4	2023/Q3	QoQ	YoY
Net Revenue	409,745	400,737	356,955	421,571	447,110	2.25%	-8.36%
Operating Costs	318,306	309,206	275,245	338,172	342,318	2.94%	-7.01%
Gross Profit	91,439	91,531	81,710	83,399	104,792	-0.10%	-12.74%
Gross Margin	22.32%	22.84%	22.89%	19.78%	23.44%		
Operating Expense	74,474	79,299	68,318	65,137	74,413	-6.08%	0.08%
Operating Profit	16,965	12,232	13,392	18,262	30,379	38.69%	-44.16%
Profit before tax	17,786	9,153	18,842	4,359	39,672	94.32%	-55.17%
Net Profit	11,145	4,226	13,067	2,826	29,580	163.72%	-62.32%
Net Margin	2.72%	1.05%	3.66%	0.67%	6.62%	157.93%	-58.89%
EPS	0.11	0.04	0.13	0.03	0.30	163.72%	-62.32%

Revenues Breakdown



Note : PI-other including CL-Black, SF and CF etc.

Consolidated Balance Sheets

Unit : In Thousands of New Taiwan Dollars

	2024/9/30		2024/6/30		2023/12/31		2023/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	391,711	14.13%	480,839	16.79%	448,996	16.98%	398,260	14.37%
Notes and Accounts Receivable	867,512	31.30%	852,236	29.76%	826,752	31.27%	888,974	32.07%
Inventories	315,071	11.37%	322,351	11.26%	206,691	7.82%	369,614	13.34%
Current assets	1,630,323	58.82%	1,698,162	59.30%	1,530,615	57.89%	1,710,283	61.71%
Financial assets at fair value through other comprehensive income	149,045	5.38%	151,834	5.30%	145,727	5.51%	149,039	5.38%
Property, plant and equipment	814,137	29.37%	833,824	29.12%	795,144	30.08%	834,533	30.11%
Total assets	2,771,691	100.00%	2,863,548	100.00%	2,643,779	100.00%	2,862,100	103.26%
Short-term borrowings	573,969	20.71%	574,928	20.08%	533,067	20.16%	589,307	21.26%
Notes and Accounts payable	217,585	7.85%	251,445	8.78%	146,082	5.53%	272,539	9.83%
current liabilities	944,945	34.09%	1,029,486	35.95%	753,857	28.51%	920,878	33.22%
Long-term borrowings	0	0.00%		0.00%		0.00%	0	0.00%
Total liabilities	1,222,079	44.09%	1,311,177	45.79%	1,125,604	42.58%	1,298,660	46.85%
Share capital	982,009	35.43%	982,009	34.29%	982,009	37.14%	982,009	35.43%
Total equity	1,549,612	55.91%	1,552,371	54.21%	1,518,175	57.42%	1,563,440	56.41%
Total liabilities and equity	2,771,691	100.00%	2,863,548	100.00%	2,643,779	100.00%	2,862,100	103.26%

Cash Flow

Unit : In Thousands of New Taiwan Dollars

	2024/Q1-Q3	2023/Q1-Q3
Depreciation and Amortization Exp.	52,655	48,533
Decrease (Increase) in Receivables	(53,136)	(193,699)
Decrease (Increase) in Inventories	(108,380)	(125,962)
Increase (Decrease) in Payables	71,503	145,221
Net cash flows from (used in) operating activities	(27,598)	(108,208)
Acquisition of property, plant and equipment	(44,634)	(49,122)
Net cash flows from (used in) investing activities	(44,664)	(34,980)
Net cash flows from (used in) financing activities	(11,050)	(209,215)
Cash and cash equivalents at end of period	391,711	398,260

Future Outlook

Smartphone Market

- The key to sustaining the electronics market in 2025 lies in the multifaceted applications related to AI, as well as innovative technologies and growth in semiconductor packaging.

On Board Equipment Application

- In addition to electric vehicles, the demand for flexible printed circuits in energy storage devices is gradually increasing, making it another key focus in automotive applications for next year, with ongoing efforts to develop related products.

Production Strategy

- The production process is continuously optimized with the goal of building an automated smart factory to increase per capita output value.

New Products

- Actively advancing in ion migration-resistant CL, EMI, conductive adhesives, low-loss high-frequency products, automotive energy storage applications, acrylic adhesives for multilayer boards, transparent materials, and self-manufactured adhesive-free double-sided boards.

~Thank you~

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