

News Release Highlights

## Recovery momentum continues with a revenue growth of 13.0% and an adjusted EBITDA growth of 61% YoY in 1H2024

- The Group achieved a steady 13.0% YoY revenue growth to S\$83 million in 1H2024, led by the Advanced Materials Business Unit (“**AMBU**”).
- AMBU posted 19.9% YoY growth with a 16.7% increase in 3C and a 26.1% growth in Industrial.
  - 3C revenues increased on the back of higher contributions from existing and new customers despite encountering delays in mass production of a few projects to 3Q2024.
  - Industrial’s growth was largely led by Automotive and European business through AxynTeC.
- Nanofabrication Business Unit (“**NFBU**”) grew 49.8% YoY, largely from the MLA project while Sydrogen grew 92.0% YoY from BPP coatings for automotive customers. However, the Industrial Equipment Business Unit (“**IEBU**”) saw a 56.0% YoY revenue decline, due to a softer market.
- Stronger business and cost optimisation drove operational improvements, with gross profit margin increasing YoY from 32.0% to 33.5% and staff costs reducing by S\$1.9 million or 5% YoY.
- PATMI losses narrowed by 51.1% YoY to S\$3.7 million, despite S\$2.0 million increase in depreciation and amortisation expenses, and S\$0.5 million in one-off professional expenses.
- 1H2024 adjusted EBITDA stood at S\$16.7m, up 61.4% YoY, while margin improved YoY from 14.2% to 20.2%. The improvement is attributable to the business recovery of AMBU and NFBU.
- Generated positive operating cash flow of S\$21.0 million, with a total cash balance of S\$134.2 million as of 30 June 2024, excluding S\$6.5 million in short-term capital-protected deposits.
- The Group is proposing an interim dividend of 0.33 Singapore cents per ordinary share.
- **FY2024 Outlook:**
  - **Positive growth expectations:** Barring unforeseen circumstances, the Group anticipates higher full-year revenues and profits as compared to FY2023.
  - **Drivers of revenue growth:**
    - **AI-enabled devices:** Anticipated to drive higher consumer demand for our 3C customers.
    - **Expansion of 3C customer base:** Increased contributions from key and new 3C customers.
    - **Delayed Projects:** Ramp up of delayed projects in 2H2024.
  - **Cost optimisation:**
    - **Process Improvements:** Ongoing enhancements in process streamlining.
    - **Automation:** Increased automation to improve efficiency.
    - **Strategic Procurement:** Initiatives in strategic procurement.
  - **Capex:** Although full year capex is expected to be lower, there will be additions to our coating equipment in view of business requirements.

END.

**Note: This news release is to be read in conjunction with the SGXNet announcement released on the same day.**

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**About Nanofilm Technologies International Limited (MZH / NANO.SI)**

Listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 October 2020, Nanofilm Technologies International Limited (“**Nanofilm**”) is a leading provider of nanotechnology solutions in Asia, leveraging its proprietary technologies, core competencies in R&D, engineering and production, to provide technology-based solutions across a wide range of industries. Nanofilm’s solutions serve as key catalysts in enabling its customers to achieve high value-add advancements in their end-products in an environmentally sustainable manner. Nanofilm continues to be represented by the relevant FTSE ST and MSCI indices.

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