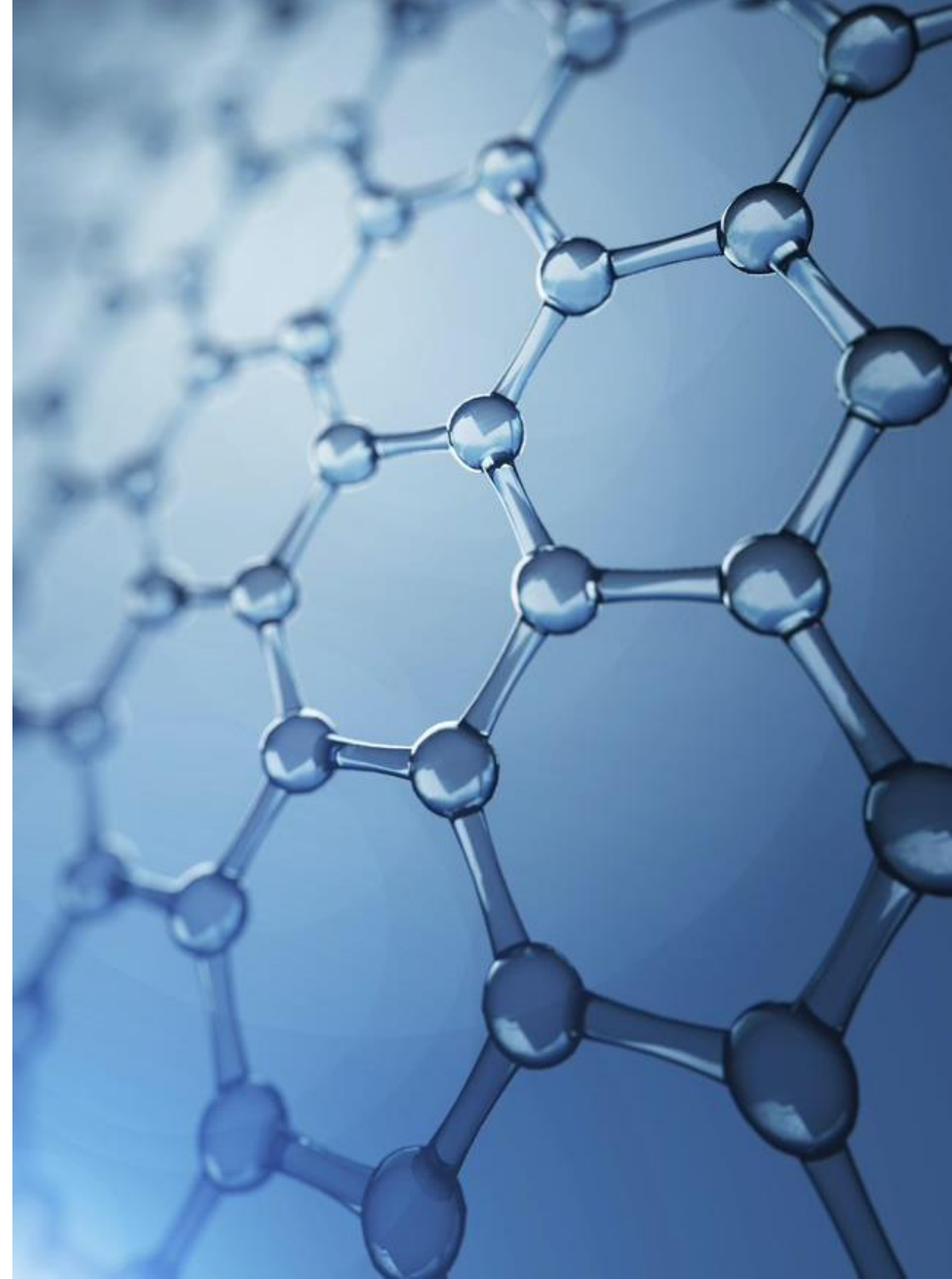




# NANOFILM TECHNOLOGIES INTERNATIONAL

3Q2024 Business Update

October 2024



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# Management Panel



**Mr Gary Ho**

Executive Director and  
Group Chief Executive Officer



**Mr Kay Lim**

Group Chief Financial Officer



**Mr Gian Yi-Hsen**

Group Chief Strategy Officer and  
Chief Executive Officer, Sydrogen

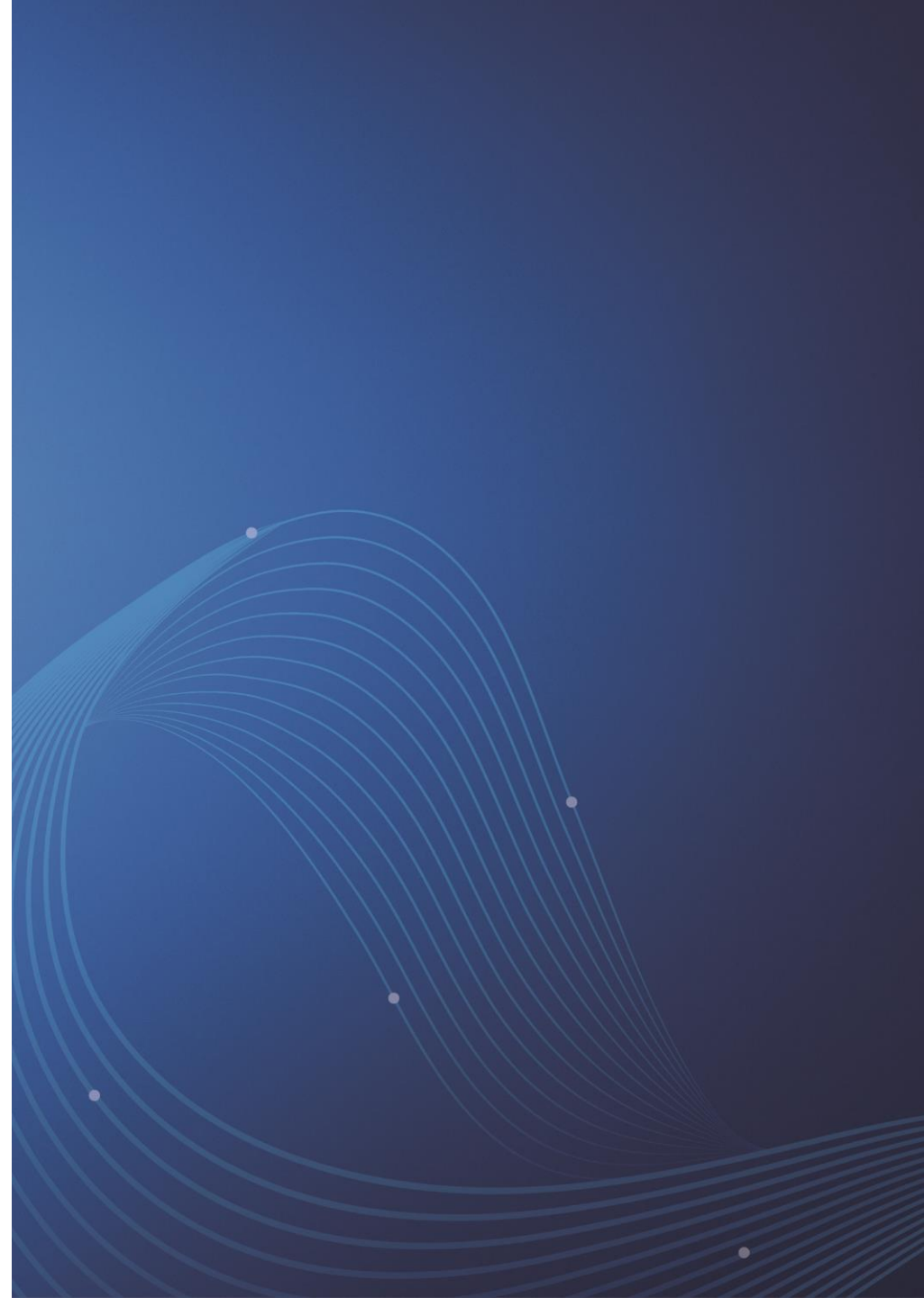


**Mr Ian Howe**

Group Chief Commercial Officer

# Agenda

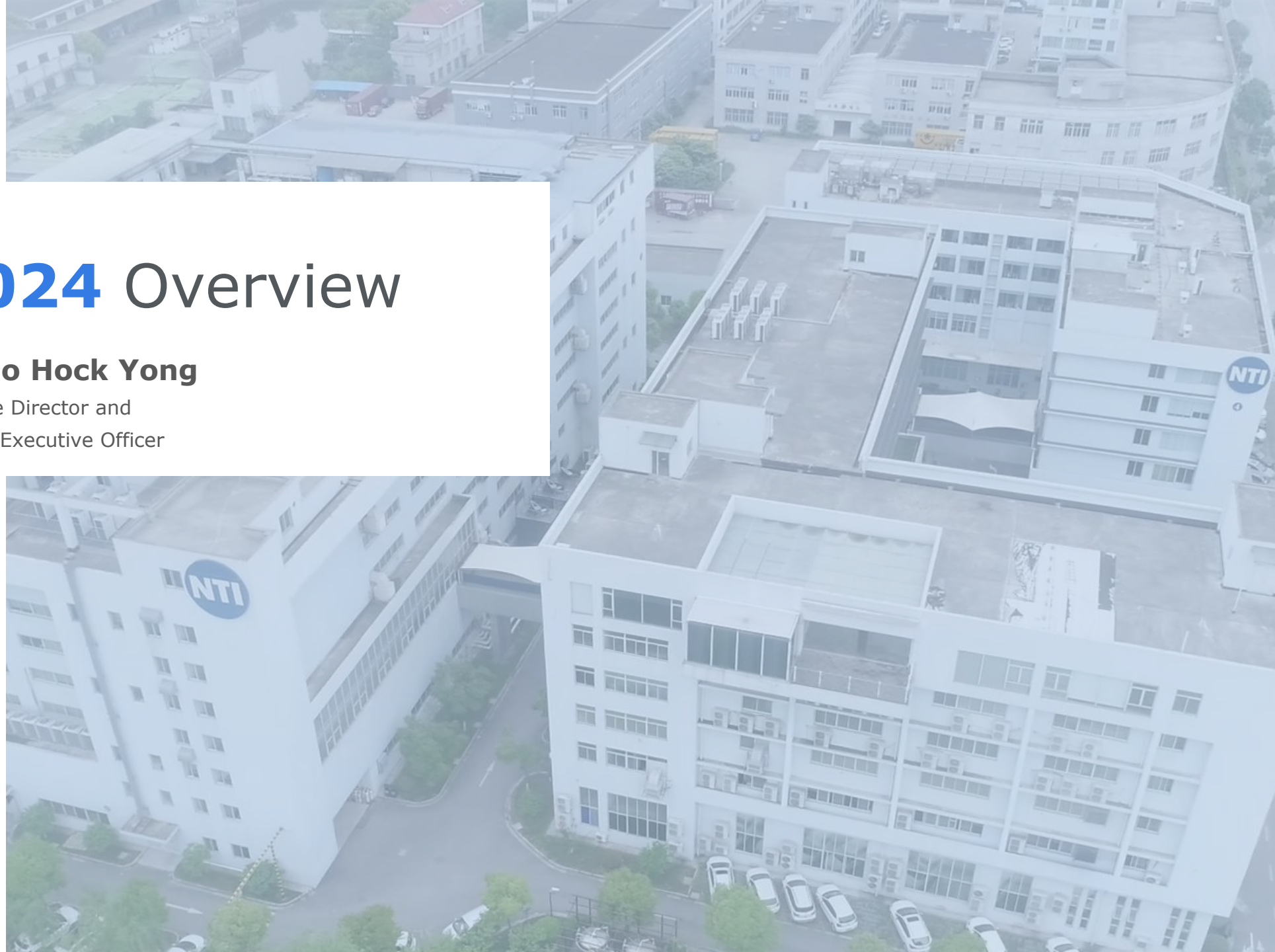
- 3Q2024 Overview
- Outlook
- Q&A



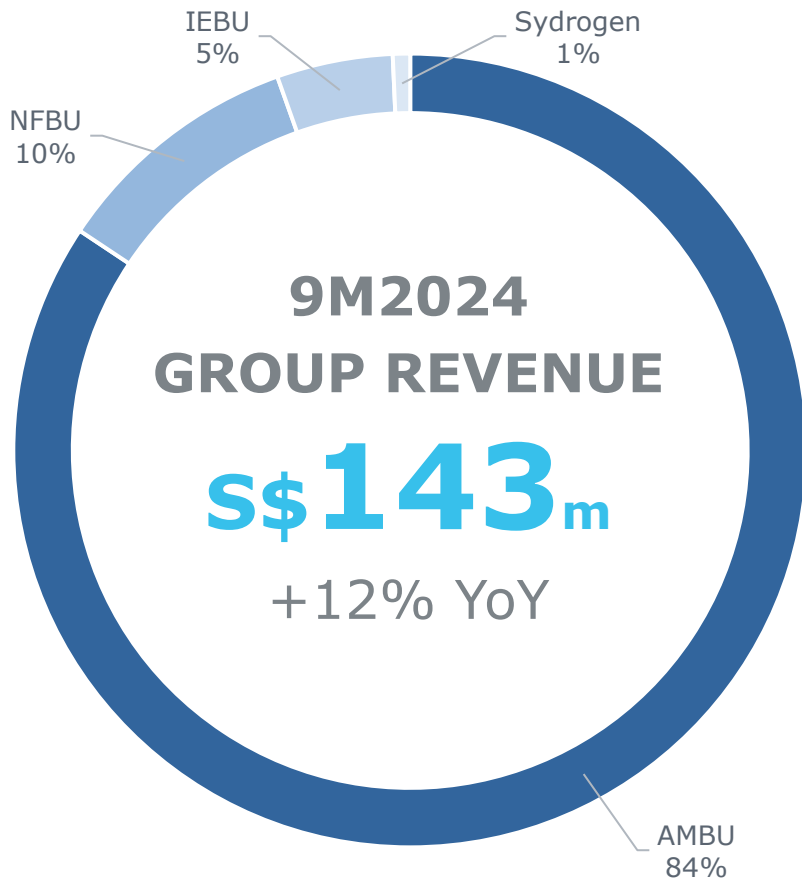
# 1 | 3Q2024 Overview

**Mr Gary Ho Hock Yong**

Executive Director and  
Group Chief Executive Officer



# 3Q2024 Business Update: Revenue growth led by Consumer end-market in line with seasonal peak period



## 3Q2024 Group Review

- 3Q2024 revenue was S\$60m, 10% higher YoY and 38% higher QoQ, led by the consumer business in AMBU and NFBU:
  - AMBU grew 11% YoY:
    - 3C within AMBU grew 11% YoY and 71% QoQ to S\$37m, primarily driven by the Communication (smartphones) and Computer (tablets) sub-segments, which on average grew 27% YoY, offset by a decline of 20% YoY in Wearables & Accessories. The decline in Wearables & Accessories was impacted by the supply chain but has commenced production from mid-Sep
    - Industrial and Automotive within AMBU grew 10% YoY to S\$12m, primarily driven by the Europe business offset by marginal decline in Automotive due to a traditionally softer season and strong growth in 1H2024, along with lower contribution from Industrial sub-segments in China and Singapore
  - NFBU grew 8% YoY and 50% QoQ to S\$8m, on the back of comparative higher allocation for the MLA project adopted in smart wearables
  - IEBU was flat YoY with S\$3m contribution, mainly from equipment delivery and after-sales services
  - Sydrogen grew 688% YoY from a lower base, led by increased coating production of hydrogen fuel cell bi-polar plates for automotive customers

# 3Q2024 Business Update (cont'd)



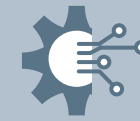
## OPERATING PERFORMANCE

- Continued growth within Advanced Materials, partially offset by a slowdown in Precision Engineering and Wearables & Accessories
- Computer and Communication subsegments were the largest revenue contributors within 3C (accounting for 75%)
- Improvement in operating performance attributable to continuous drive towards operational excellence and better economies of scale
- 3Q2024 GPM was above 40% (33% in 1H 2024) and comparable GP in the same period grew 66% QoQ and 4% YoY
- 3Q2024 EBITDA margin was above 28% (19% in 1H2024) and corresponding EBITDA grew 34% QoQ and 17% YoY
- Group reversed the loss recognised in 1H2024 and was profitable in 3Q2024 and 9M2024



## GEOGRAPHICAL EXPANSION

- Our strategic footprint, aligned with the China Plus One strategy, positions us favourably for business in China and rest of the world
- **Vietnam:** Vietnam Plant 2 has commenced small-scale production in coating services for 3C customers while development projects are underway for 3C and NFBU-related projects
- **India:** Undergoing qualification, and small batch production expected to commence for key customer in end-4Q2024 or 1Q2025
- **Germany:** Ontrack with our post-merger integration initiatives and progressing with our market penetration efforts using our differentiated integrated nanotechnology solutions, leveraging the acquired AxynTeC platform in Europe



## STRATEGIC PRIORITIES

- Expand and build upon the initial success our Southern China production site for the consumer business with expanded customer base
- Position business opportunities from the expanded customer base that favour production from our Vietnam and India plants
- Penetrate the European market through AxynTeC with our integrated product offerings
- Leverage our core technological capabilities as the leading material science (surface re-engineering) partner to our customers in their product development roadmaps

# 2 | Outlook

**Mr Gary Ho Hock Yong**

Executive Director and  
Group Chief Executive Officer





# Overall Outlook



## MARKET ENVIRONMENT

- While economic challenges remain, trend towards premiumisation along with the proliferation of generative AI present growth opportunities for the overall portable consumer electronics market
- Industrial output in Asia and Europe remains soft but are seeing gradual improvement. This continues to generate headwinds for our industrial equipment business



## KEY GROWTH DRIVERS

- **Consumer:** Expanded customer base, supporting the world's top players in their flagship products, is expected to contribute positively to our business
- **Industrial:** Penetration into the European market from a lower base offers good growth opportunities
- **New Energy:** With Chinese fuel cell market gaining traction from previously announced hydrogen adoption incentives, Sydrogen expects to deliver meaningful Tier 3 volume in the final quarter. Sydrogen continues to expand on market development activities across China, Singapore and Europe



## COST OPTIMISATION & CAPEX

- Optimising cost structure through operational excellence to improve productivity and drive cost efficiency
- Expect lower full year capex in infrastructure related investments with strategic additions of coating equipment to support expansion in Southern China, Europe and Corporate Lab



## FINANCIAL PERFORMANCE

- Growth momentum is expected to be carried into 4Q and higher revenue and profits for FY2024 as compared to FY2023 is anticipated, all barring any unforeseen events

# 3 | Q&A



**THANK YOU**

