

News Release Highlights

Nanofilm posted a 2H2023 revenue of S\$104 million with NPATMI of S\$11 million

- 2H2023 saw a recovery in business performance, where pathway to revenue recovery and on-going cost optimisation were gaining momentum. Despite the tough environment last year, our business has remained profitable with positive operating cashflow.
- Group revenue increased 42% HoH in 2023 and declined 25% YoY to S\$177m, with narrowing 2H YoY decline compared to 1H, led by recovery in Consumer within AMBU and NFBU, and continuing growth from Industrial within AMBU offset by a larger decline in IEPU.
- Improving operational performance with recovery in GPM in 2H2023 to 40.6% compared to 1H of 32.0%. Results from cost optimisation were gaining further momentum in 2H2023, with 9% decline YoY in Admin Opex.
- R&D and Engineering expenses fell by 13.6% YoY due to an increase in the capitalisation of eligible R&D and engineering activities moving closer to commercialisation.
- 2H2023 EBITDA stood at S\$29m, down 32% YoY, while FY2023 was S\$39m, down 51% YoY.
- 2H2023 recovered with a PATMI of S\$10.8m, led by a rebound in revenues and an enhanced cost structure.
- **Key growth drivers:**
 - **Consumer:** Strategic global footprint aligned with China plus one strategy of customers positions us favourably. Pipeline visibility enhanced by existing projects slated for mass production and new projects advancing at the NPI stages with possibility of entering into mass production.
 - **Industrial:** Anticipating stable business in Singapore, China and Japan, with growth prospects from market expansion in Europe
 - **New Energy:** Sydrogen's BPP coatings accelerating production for automotive customers
- **Cost optimisation and capex:**
 - Continue to optimise our cost structure
 - Does not expect significant capex, instead focusing on maximising returns from current asset base
- **Financial performance outlook:** Combining revenue drivers and cost optimisation, the Group expects FY2024 financial performance to achieve higher revenues and profits, contingent upon absence of major unexpected events.
- **Group is proposing a final dividend of 0.33 Singapore cents per ordinary share.**

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

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 is a constituent of the FTSE ST All-Share Index, FTSE ST China Index, FTSE ST Large & Mid Cap Index, FTSE ST Mid Cap Index, MSCI ACWI Small Cap Index, MSCI Singapore Small Cap Index, and the MSCI World Small Cap Index.

For media queries, please contact:

Nanofilm Technologies International Limited

Kay Lim / Duane Tan

E ir@nti-nanofilm.com