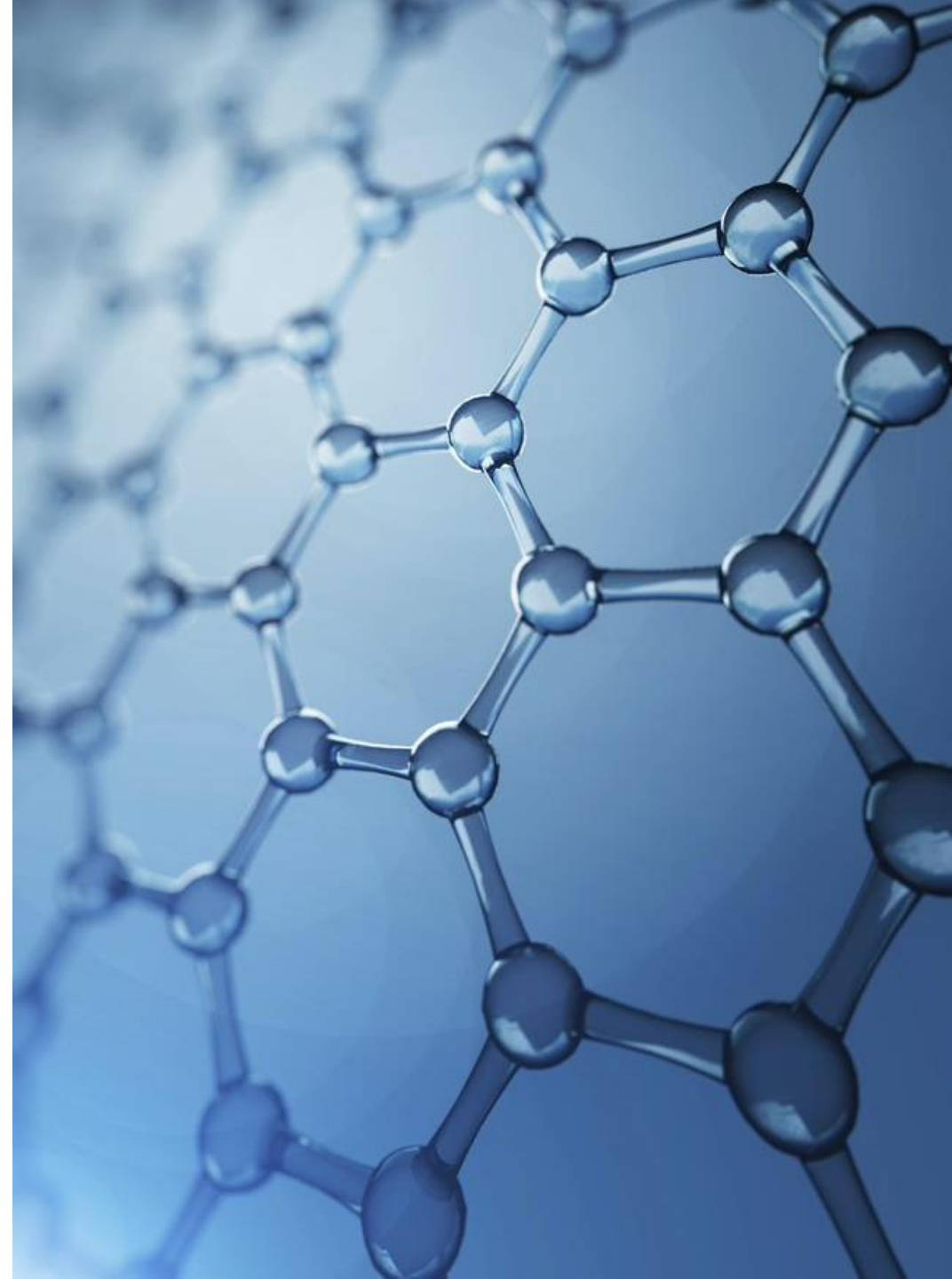




NANOFILM TECHNOLOGIES INTERNATIONAL

1Q2024 Business Update

April 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, Sydhrogen

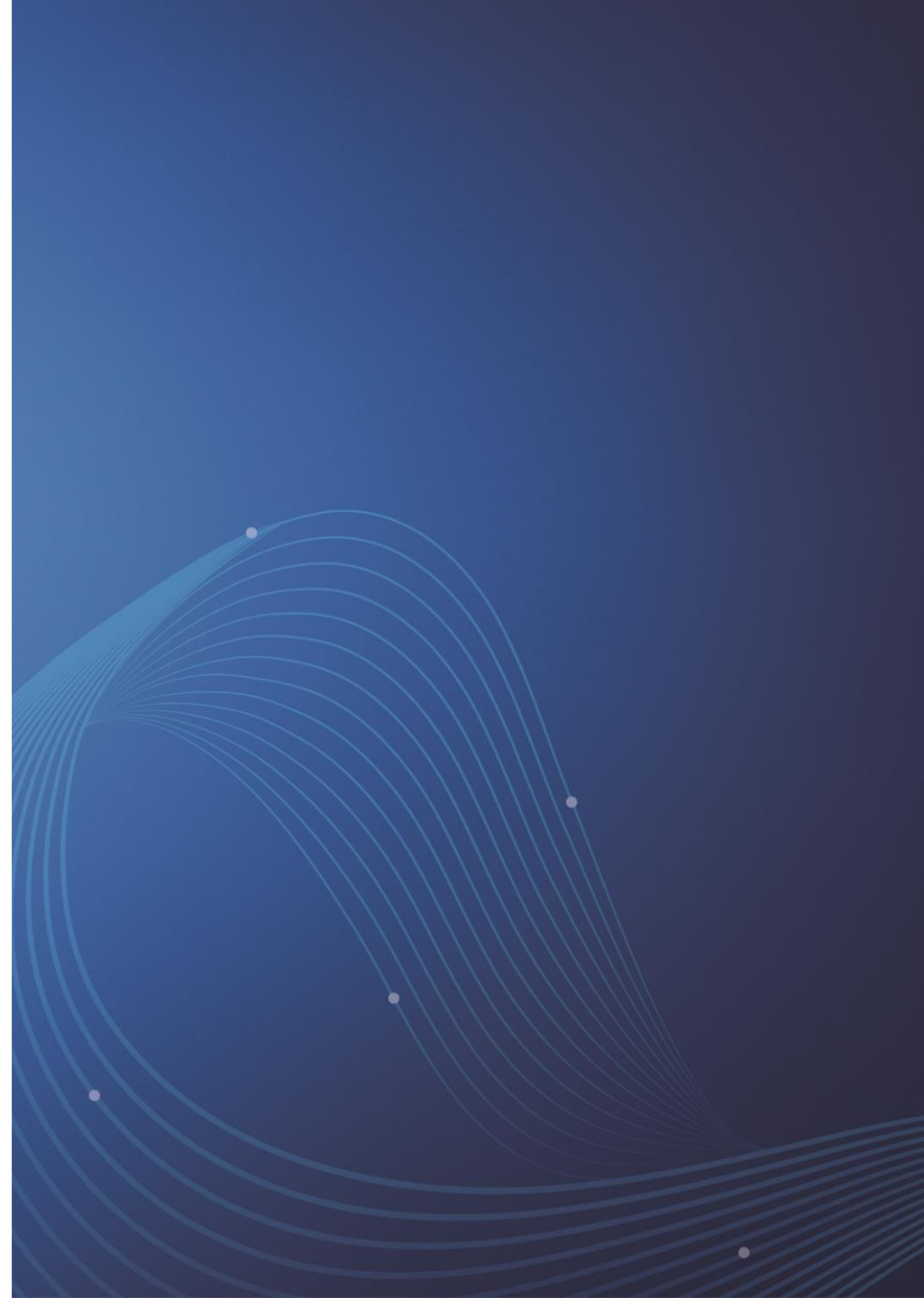


Mr Ian Howe

Group Chief Commercial Officer

Agenda

- 1Q2024 Overview
- Outlook
- Q&A



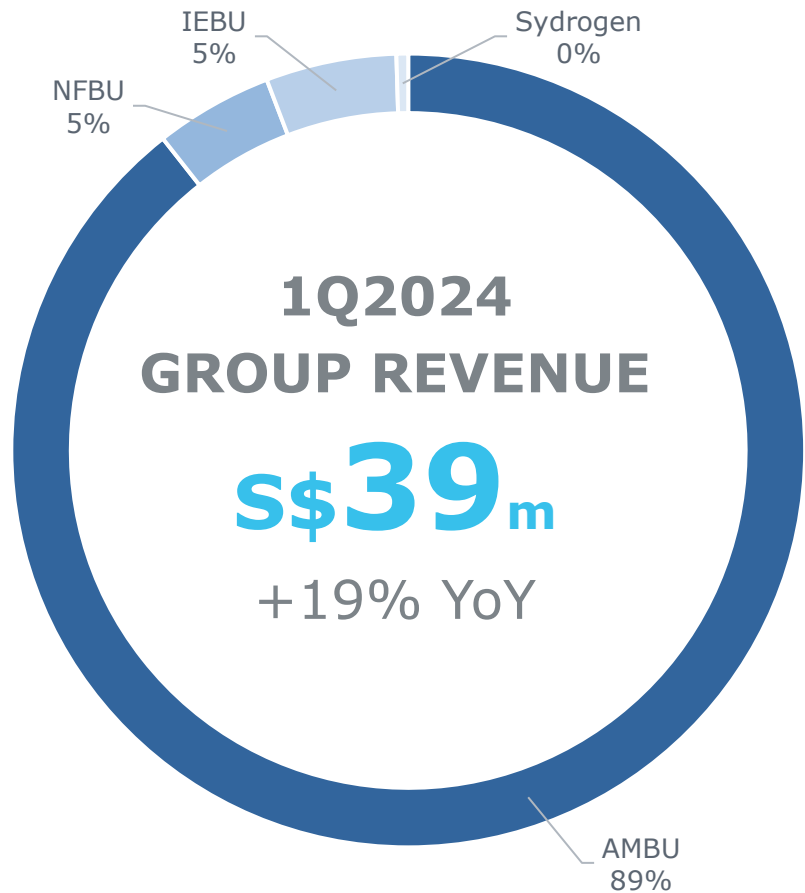
1 | 1Q2024 Overview

Mr Gary Ho Hock Yong

Executive Director and
Group Chief Executive Officer



1Q2024 Business Update: Notable Group revenue growth led by 51% YoY increase in 3C



1Q2024 Group Review

- Despite uncertain operating environment, the Group has achieved notable revenue growth through 3C recovery, alongside gains from new customers and continuing penetration in existing customers
- Overall revenue grew 19% YoY led by growth in 3C, offset by weaker Industrial Equipment BU
 - AMBU grew 41% YoY:
 - 3C grew 51% YoY attributable to contribution from a new customer and demand recovery from existing customers
 - Automotive grew 24% YoY led by commercial vehicle segment
 - Other Industrial segments, including inaugural contribution from AxynTeC, grew 21%
 - NFBU was flattish in line with projects' production status
 - Sydrogen continued mass production for key customer
 - IEBU declined 66% YoY due to softer order book

1Q2024 Business Update (cont'd)



OPERATING PERFORMANCE

- Smartphone subsegment was the largest revenue contributor within 3C (accounting for 44%), led by the onboarding of a new customer
- Operational performance improved with continuing efforts to expand revenue base and to streamline costs
- 1Q2024 GP grew 30% YoY to S\$12.8m¹, from S\$9.8m in 1Q2023, with a corresponding higher 1Q2024 GPM of 33%¹ compared to 30% in 1Q2023
 - Driven by higher contributions from 3C and industrial segments, offset by the decrease in IEBU's contribution



GEOGRAPHICAL EXPANSION

- **Germany:** Acquisition of AxynTeC closed in Feb 2024
- **India:** Preparing and qualifying factory-in-factory facility for start of small batch production in 2H2024
- **Vietnam:** Site 2 phase one completed renovation and fitting out works, currently undergoing commissioning of equipment with initial production to commence in 2Q2024



STRATEGIC PRIORITIES

- **AxynTeC:** Integration project is in full execution with focus on top line growth from synergies:
 - Accelerating growth of AxynTeC's DLC products via customer acquisition in General Industrial, Consumer and Medical segments
 - Introduction of Nanofilm's FCVA carbon-based coatings (TAC-ON®) to the European market in Consumer and General Industrial segments
 - Introduction of Nanofilm's decorative product coating portfolio to the European market segments for Automotive interiors, Luxury, Sanitary, etc
- **AMBU Industrial / IEBU:** Focus on market development for existing solutions to replicate success cases in Optics, Automotive, General Industrial, Semiconductor etc

Source: Company information

¹ Excluded revenue and GP contribution from AxynTeC for comparison

2 | Outlook

Mr Gary Ho Hock Yong

Executive Director and
Group Chief Executive Officer



FY2024 Overall Outlook



MARKET ENVIRONMENT

- Uncertain market landscape presenting both challenges and opportunities



KEY GROWTH DRIVERS

- **Consumer:** Stronger pipeline visibility from existing and new projects slated for mass production during peak period
- **Industrial:** Anticipating stable growth, with bright prospects from market expansion in Europe
- **New Energy:** Sydregen's BPP coatings in production for additional automotive customers



COST OPTIMISATION & CAPEX

- Continue to optimise our cost structure
- Expects lower capex YoY, focusing on maximising returns from current asset base



FINANCIAL PERFORMANCE

- Peak period production activity is anticipated to commence towards late-2Q2024, going into 3Q2024
- The Group expects FY2024 financial performance to achieve higher revenues and profits, contingent upon absence of major unexpected events

Driving Revenue Growth & Continuous Optimisation of Cost Structure

3 | Q&A



THANK YOU

