
3Q2025 BUSINESS UPDATE BRIEFING

29 October 2025, 10.00am

Management Panel:

Dr. Shi Xu	Executive Chairman and Group Chief Executive Officer (" Group CEO ")
Mr. Kay Lim	Group Chief Financial Officer (" Group CFO ")
Mr. Gian Yi-Hsen	Group Chief Strategy Officer (" Group CSO ") and CEO, Sydrogen

Presentation Transcript

Duane Tan : Good morning, ladies and gentlemen. Welcome to Nanofilm's Third Quarter 2025 ("**3Q2025**") business update. I am Duane Tan from Investor Relations.

Investor Relations

Before we start the presentation, please allow me to introduce the management panel for today's session. Dialling in from Shanghai, we have Dr. Shi, our Executive Chairman and Group CEO, Mr. Kay Lim, our Group CFO, and Mr. Gian Yi-Hsen, our Group Chief Strategy Officer and CEO of Sydrogen Energy.

Unfortunately, our Group Chief Commercial Officer, Mr. Ian Howe, is travelling and will not be able to join us for this morning's session.

For today's session, Kay will be taking us through an overview of 3Q2025, before handing the time to Yi-Hsen for the Business Unit ("**BU**") specific outlook.

Without further ado, I will hand the time over to Kay for the overview.

Kay please.

Kay Lim : Good morning, ladies and gentlemen. It is my pleasure to begin the presentation by sharing an overview of the third quarter of 2025 during which I will review our third quarter operating performance, discuss developments across our geographical footprint and reaffirm our strategic priorities.

Group CFO

Please note that all figures are stated in Singapore dollars. In the third quarter of 2025, we recorded a 20% year-on-year increase in Group revenue, reaching S\$72 million. For the first nine months of 2025 ("**9M2025**"), we recorded a 26% year-on-year increase to S\$179 million which was driven by our Advanced Material Business Unit ("**AMBU**") and Industrial Equipment Business Unit ("**IEBU**"). This broad-based performance highlights the strength of our diversified portfolio and resilient business model.

AMBU remained our largest revenue contributor and continues its growth momentum, growing 27% year-on-year to S\$63 million in 3Q2025. Within

AMBU, Advanced Materials – Consumer¹ rose 30% year-on-year to S\$48 million driven by stronger growth in the Accessories and Wearable segment.

AMBU – Industrial, including automotive, grew 18% year-on-year to S\$14 million supported by stronger contributions from the precision engineering and European businesses. IEBU recognised a 38% year-on-year increase to S\$4 million in 3Q2025 with progressive recognition of our equipment sales. Sydrogen grew 19% year on year to S\$0.3 million.

Overall, Our Group growth was moderated by Nanofabrication Business Unit (“**NFBU**”), which contracted 29% year on year to S\$5 million due to the lower MLA² project volumes during a seasonally softer period.

Next, on the operating performance, the Group recorded a gross profit margin (“**GPM**”) of 36% and an EBITDA³ margin of 24% for 9M2025 on the back of higher revenue. The Group remained profitable in 3Q2025.

Our strategically diversified footprint, which is closely aligned with our customers, continues to position us well for future customer programmes, as well as to navigate the increasingly bifurcated market. We have steadily expanded our production capacity and operations in our Vietnam plant to ensure reliable support for our customers’ supply chains. Although our production activity in India is still in the early stages, small batch coating production has commenced to support our key customers’ regional initiative.

In Europe, we have finalised the restructuring of our entities in Germany and Netherlands, simplifying our organisation, reducing compliance and administrative costs, and strengthening alignment across customers, suppliers, and regulatory relationships. We are actively optimising our European operations to drive greater efficiency and extend our reach to more customers across the region.

We will continue to prioritise enhancing customer engagement across both international and local markets, leveraging our expanded footprint, comprehensive coating solutions and our differentiated nanofabricated products.

Looking ahead, our group strategy remains focused on developing the next generation coating equipment and mission critical applications of advanced materials across emerging and established markets.

With that, I will now pass over to Yi-Hsen to take us through our BU specific outlook.

Yi-Hsen, please.

¹ Advanced Materials – Consumer refers to 3C (Computer, Communications, and Consumer Electronics)

² MLA refers to Micro Lens Array

³ EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortisation

Gian Yi-Hsen
Group CSO

: Thank you, Kay.

Good morning, everyone. Allow me to share an update on the outlook across our different Business Units.

Starting with our AMBU, particularly within the consumer segment, we successfully executed our ramp in the third quarter, and we are now expanding our penetration across various product categories, in particular the watch housing category, where we are now supporting multiple brands. We have also continued our diversification from a geographical perspective and currently are in multiple locations.

Moving on to our Advanced Materials – Industrial⁴ segment, we have maintained positive volume trends, supported by healthy order booking in Southeast Asia and growth in the Automotive and industrial segments in China. We are also seeing positive contributions from our European entities.

For IEBU, we continue to see a firm growth trajectory across our key markets, particularly driven by the Mold Coater in both Asia and Europe, and our after-sales service revenue has continued to deliver steady revenues.

Moving on to NFBU, we are currently in a transition phase as we prepare for new growth opportunities. We continue to deliver on the existing programme we are working on, while also preparing for new programmes, especially a new programme launched at our new plant. In addition, the team is working on new product introduction (“NPI”) projects with leading automotive and current customers, which are expected to generate good opportunities in the upcoming year.

Finally, turning to Sydrogen, we continue to be a leading provider of coating services into the Chinese fuel cell market. Beyond China, we are also starting to engage new players in Europe offering both our coating as well as air cooled fuel cell solutions.

In summary, we remain confident and optimistic about the future with our diversified portfolio and resilient business model. We are well positioned to continue capturing emerging opportunities and navigate the uncertainties ahead.

With that, I would like to open the floor to Q&A.

Thank you.

⁴ Advanced Materials – Industrial comprises Precision Engineering, Printing & Imaging, and European business (i.e., Nanofilm AM Germany GmbH), excludes Automotive

Q&A Transcript

- Duane Tan**
Investor Relations
- : Thanks, Kay and Yi-Hsen.
- We will open the floor to Q&A.
- Could we have participants either use the raise hand function or the chat function on Teams to ask your questions and we will address them.
- We have a question from Lee Keng. Would you like to unmute yourself and ask your question?
- Ling Lee Keng**
DBS
- : My first question is on the order momentum for Customer Z. For the ramp up, which product is it for? And going forward, what does the product pipeline look like?
- The second question is similar, the order momentum for the two new customers in the mobile space.
- Thank you.
- Gian Yi-Hsen**
Group CSO
- : As many of you may be aware, Nanofilm is engaged across all the different LOBs⁵ of Customer Z, and we continue to have good order momentum. As mentioned earlier, we are now into multiple watch housing brands which is a good development for us.
- For our Chinese customers, we continue to deliver across multiple models which is also a good development for us. We look forward to further building our relationship and the order book with them.
- Ling Lee Keng**
DBS
- : Just a quick follow up. What kind of contribution came from the two new customers in 3Q? In terms of percentage of total revenue?
- Gian Yi-Hsen**
Group CSO
- : These customers have different product cycles. But overall, we expect to see more contribution from the non-Customer Z segment in the fourth quarter which is typical of the annual cycles of these customers. I would not be commenting directly on the percentages.
- Ling Lee Keng**
DBS
- : Okay, understood. For next year, are we looking forward to any new NPI?
- Gian Yi-Hsen**
Group CSO
- : We are always working on new NPI on an annual basis. But we do not expect major change in the different LOBs and the mix as of right now.
- Ling Lee Keng**
DBS
- : Okay, got it, thank you.

⁵ LOB refers to Line of Business

Duane Tan
Investor Relations

: Thanks, Lee Keng.

Do we have another question from other participant?

Hi John, would you like to unmute yourself?

John Cheong
UOBKH

: Thanks Duane.

Can I ask about margins? Margins seem to be quite stable, both gross margin and EBITDA margin. How should we look at margins going into the fourth quarter? Is fourth quarter expected to have lower revenue and hence a margin decline?

Also, looking into next year, how do you see the margin trend? Are you expecting it to be stable, increasing, or declining in terms of gross margin?

Kay Lim
Group CFO

: We do not comment on the forward-looking margins profile but what we can say is that we continue to look at operational excellence, on top of the revenue expansion initiatives that we have put in place.

Dr. Shi
Group CEO

: Just to add on, cyclical performance within any given year has always been the nature of our business. The Company has developed the capability to adapt to both the high and low seasons. We have solutions set to cater for cyclical trends as this is the norm for us, and we aim to keep the margin steady, which is very important. As Kay mentioned, we continue to put a lot of effort to improve the margin.

John Cheong
UOBKH

: Okay, thank you.

Dr. Shi
Group CEO

: I will just add a few more comments.

As we all recall, Nanofilm has made hefty investments in the past couple of years in anticipation of the supply chain shift. However, the business outside of China did not pick up immediately, there are ups and downs. The supply chain shift has been slower than expected and we have had to manage these changes.

Over the past couple of years, we have faced challenges but overall, our strategy is working, and we made the right move to participate in global supply chain shift. We have prepared ourselves for such change.

I believe we are well prepared and we are in a much better situation, financially as well, which will allow us to have a better growth for the coming years.

Ling Lee Keng
DBS : Just a follow-up question. in terms of capacity, how much more room for expansion for your Vietnam plant and in China, the Shanghai plant?

Dr. Shi
Group CEO : I think we are well positioned to cater for our customer's requirements for the coming couple of years.

Gian Yi-Hsen
Group CSO : For the Advanced Materials – Consumer business, we do not expect to increase capacity significantly in Shanghai.

On the Vietnam side, we are progressively increasing our capacity in line with customer demand. As Dr. Shi mentioned earlier, supply chain developments outside of China have been slower than originally anticipated. But overall, the direction from our customer is clear. They continue to be moving capacity out of, rather building capacity in areas countries outside of China.

We do not expect this to move very significantly over the next couple of years. We are well positioned to capture these opportunities, whether through our Vietnam presence or India presence.

Ling Lee Keng
DBS : Okay, got it, thank you.

Duane Tan
Investor Relations : Do we have any other questions or further clarifications?

As there are no further questions for the moment, we will conclude today's brief. I would like to remind participants that we are open for further questions or clarifications. If required, please feel free to reach out to us.

With that, I would like to thank management for their time and participants for your time and attention this morning.

Have a wonderful day ahead, thank you.

END.