



NANOFILM TECHNOLOGIES INTERNATIONAL

9M2022 Business Update

November 2022



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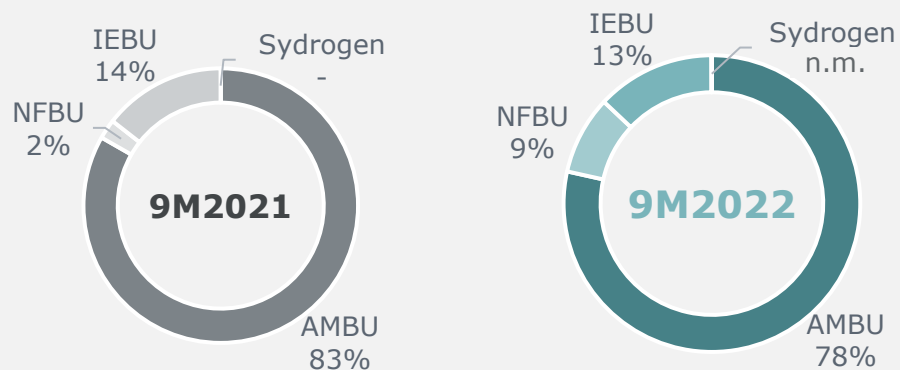
1 | 9M2022 OVERVIEW



9M2022 Performance Summary

GROUP REVENUE

+10% YoY



Illustrative purposes, not drawn to scale

GROUP

- 9M2022 Group revenue grew 10% YoY
- Growth led by AMBU and NFBU offsetting negative growth from IEBU

COVID-19 Impact

- Lingering effects from 2Q Shanghai COVID-19 restrictions impacted 3Q business momentum and growth pace
- Rolling lock down restrictions in China hampered supply chain flow and customers' capital expenditures

AMBU

- Headwinds experienced by some customers due to supply chain disruptions caused by COVID-19 restrictions in China

NFBU

- Continued growth momentum from mass production of products

IEBU

- Delays and cuts in customers' capex amid increasing macro uncertainties

Sydrogen

- Commencement of small-scale BPP coating production

Source: Company information. Figures may not add up due to rounding

2 | **BUSINESS** OUTLOOK



Near-Term Business Outlook: Challenging operating environment

CHALLENGES

1

MACRO HEADWINDS

- Geopolitical tensions
- Inflationary pressures
- Rising interest rates
- Recession risk

2

SUPPLY CHAIN CHALLENGES

- Disruptions due to COVID-19 restrictions & measures resulting in FATP¹ closures

3

CAPITAL INVESTMENT SLOWDOWN

- Against the macro uncertainty backdrop, companies are opting for capital conservation

IMPACT

ON GROUP

- Softer consumer demand
- Shut down of operations in certain FATP & component suppliers in the 3C supply chain affecting demand pull
- Tightening of customers capital expenditures, exacerbated by macro uncertainties and weak currencies

MEASURES

- **Driving revenues** through differentiated quality solutions and products
- **Cost optimisation** through continuous cost improvement in operational excellence
- **Continue investments** into R&D and Engineering for sustainable innovation

Maintaining **strong operating cash flows** with **resilient strong fundamentals**, rooted by our deep-tech and operational excellence

Source: Company information

(1) Refers to Final Assembly, Test, and Packaging ("FATP") companies


Our Growth Strategy: Focused key strategic areas

GEOGRAPHICAL DIVERSIFICATION & COVERAGE

Near-term objectives:

Set up coating services facility 

LOI signed for approx. 40,000 sqm land in Vietnam 

Expand production (current premises), **Corporate HQ move to Tai Seng slated for 4Q2022** 

NEW SEGMENTS WITH CAPABILITY & PRODUCT EXPANSION

Near-term objectives:

Greener solutions to replace electroplating **1**

New optical component applications **2**

MoU signed with City Energy for off-grid fuel cell solutions **3**



JOINT VENTURES / M&A

Near-term objectives:

- 1** Formation of ApexTech, JV with Everwin, announced
- 2** Explore M&A opportunities to gain market access to customers in different geographies

R&D AND ENGINEERING PRODUCT DEVELOPMENT

Near-term objectives:

- 1** Strengthen in-house R&D and extend deep-tech platform
- 2** As a home-grown deep-tech company, Nanofilm embraces RIE policy and support, to substantially increase R&D efforts to drive innovation and contribute to the economic development locally

Note: Updates will be provided on a periodic basis

3 | 2025 TARGETS



Group Focus: Medium term outlook

1

- **Strong fundamentals and differentiated solutions enabled by our deep tech platform**

2

- **Positive commercial outcome expected from our product offerings**

3

- **Focus on 3 key end-markets to drive growth:**
 - Consumer, Industrial and New Energy

4

- **Execute growth strategy with multiple business models**
 - Equipment, Coating as a Service, Component, Value Chain Integration

5

- **Targeted Outcome by 2025: Revenue of S\$500m & Profit¹ of S\$100m**

Source: Company information

(1) Refers to profit after tax and minority interest

End-Markets Grouping – Additional Reporting Dimension

BUSINESS UNITS		END-MARKETS GROUPINGS		
		CONSUMER	INDUSTRIAL	NEW ENERGY
AMBU	3C	✓		
	Automotive		✓	
	Precision Engineering		✓	
	Printing & Imaging		✓	
NFBU	Optical Components	✓		
IEBU	Industrial Equipment ¹		✓	✓
SYDROGEN	Hydrogen Fuel Cell Products			✓
APEXTECH	Green Plating (for Advanced Batteries)			✓
FY2021 Revenue²		167	79	n.m.

Source: Company information

(1) Includes equipment for third-party sales only

(2) Figures may not add up due to rounding

Financial Targets by 2025



Group Revenue



Group Profit¹

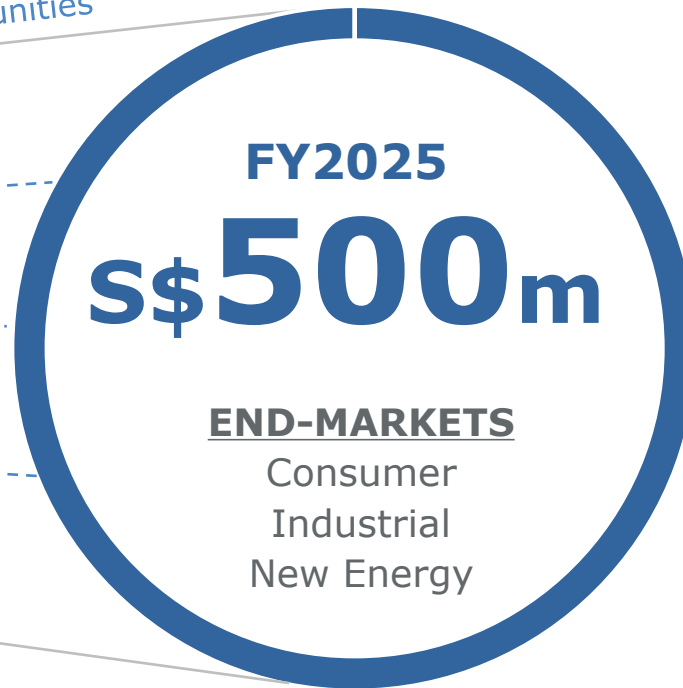
Mainly **organic growth** expected,
with selective inorganic opportunities

VC Integration²

Components

Coating as a Service

Equipment



Source: Company information

(1) Refers to profit after tax and minority interest

(2) Refers to Value Chain ("VC") Integration

THANK YOU

