

News Release Highlights

Nanofilm reported revenue growth of 19% YoY in 1Q2024 led by a recovery in the consumer business

- The Group recorded a revenue of S\$39 million in the first quarter of the financial year ending 31 December 2024 (“1Q2024”), an increase of 19% YoY, primarily driven by the consumer business, showcasing resilience despite an uncertain operating environment.
- Advanced Materials Business Unit saw impressive growth of 41% YoY, fueled by a 51% growth in the Computer, Communication and Consumer (3C) sector and a 24% growth in Automotive segments. Other industrial segments, including the recent addition of AxynTeC Dünnschichttechnik GmbH (“AxynTeC”), also contributed positively with a 21% growth.
- Within the 3C sector, the smartphone subsegment emerged as the largest revenue contributor, accounting for 44% of the revenue. The onboarding of a new customer contributed significantly to the growth.
- Nanofabrication Business Unit remained relatively stable in line with projects’ current production status and Sydrogen continued its mass production for a key customer, while Industrial Equipment Business Unit (“IEBU”) declined 66% due to softer order book.
- Operational performance improved, driven by efforts to expand the revenue base and streamline costs. 1Q2024 gross profit improved to S\$12.8 million¹ increasing from S\$9.8 million in the first quarter of the financial year ended 31 December 2023 (“1Q2023”), corresponding gross profit margin improved to 33%¹ in 1Q2024 compared to 30% in 1Q2023 primarily driven by improved revenue contribution from 3C and industrial segments, offset by the decrease in IEBU’s contribution.
- Acquisition of AxynTeC closed in February 2024. The Group’s integration project is driving top-line growth through synergies, including accelerated expansion of AxynTeC’s DLC products in General Industrial, Consumer, and Medical segments, alongside the introduction of Nanofilm’s innovative FCVA carbon-based coatings (TAC-ON®) and decorative product coating portfolio to European markets, covering diverse sectors such as automotive interiors, luxury, and sanitary products.
- The Group is advancing its production capabilities, with preparations in India for a factory-in-factory facility to start small batch production in the second half of the financial year ending 31 December 2024, while in Vietnam, Site 2 phase one has completed renovations and is now commissioning equipment for initial production to commence in the second quarter of the financial year ending 31 December 2024.

¹ Excluded revenue and gross profit contribution from AxynTeC for comparison

- **FY2024 Outlook:**
 - **The main driver for revenue growth in the financial year ending 31 December 2024 (“FY2024”) will be the consumer segment, driven by a strong pipeline outlook. Other segments, in particular the industrial segment, present bright prospects due to our market expansion in Europe as well as Sydrogen’s (BPP coatings) production to cater to additional automotive customers.**
 - **Continuous optimisation of cost structures coupled with lower capex (YoY) is expected to improve profitability in FY2024.**

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 continues to be represented by the relevant FTSE ST and MSCI indices.

For media queries, please contact:

Nanofilm Technologies International Limited

Kay Lim / Duane Tan

E ir@nti-nanofilm.com