

## Singapore

**ADD** (no change)

Consensus ratings\*: Buy 5 Hold 2 Sell 2

Current price:	S\$2.87
Target price:	S\$3.50
Previous target:	S\$3.92
Up/downside:	22.0%
CGS-CIMB / Consensus:	-9.7%
Reuters:	NANO.SI
Bloomberg:	NANO SP
Market cap:	US\$1,404m
	S\$1,888m
Average daily turnover:	US\$4.41m
	S\$5.97m
Current shares o/s:	661.6m
Free float:	45.4%

\*Source: Bloomberg

**Key changes in this note**

- FY22-23F EPS reduced by 1.8-2.0%.
- FY24F forecasts introduced.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.7	-31.2	-41
Relative (%)	-5.7	-36.3	-58.4

**Major shareholders**

	% held
Pearl Yard Holdings	38.6
Venezio Investments	7.3

**Analyst(s)**

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# Nanofilm Technologies Int'l Ltd

## Ready to grow

- FY21 revenue missed our/Bloomberg consensus expectations (92% of full-year forecasts) while net profit was in line (98%).
- Nanofilm is optimistic on its FY22F outlook as the supply chain situation eases and it expands its sales team to drive more revenue leads.
- We introduce FY24F and reiterate Add. However, our TP is lowered to reflect risks to consumer demand from the macro environment.

**FY21 revenue missed; net profit in line**

FY21 revenue grew 13.0% yoy but missed expectations at 92% of our/Bloomberg consensus full-year expectations. Net profit grew 8.0% yoy to S\$62.2m and was in line at 98% of our/Bloomberg consensus expectations. Key items that aided FY21 performance were: a) a 72.6% increase in other income arising from government grant and incentives; b) a 40.0% decline in taxes to S\$7.3m; and c) a write-back of S\$1.3m for doubtful receivables. Offsetting these positives were: a) a 32.9% increase in R&D expenses to S\$21.9m; and b) a 10.2% increase in administrative expenses to S\$32.7m.

**Positive on FY22F outlook**

Management is positive on the revenue outlook for FY22F. In the AMBU, management guided that supply chain disruptions were easing and the company believes that there is growing adoption of its coating solutions. In the NFBU, management expects a turnaround in FY22F driven by its sensory product (1 of 2 suppliers, according to management) for smart watches. In the IEBU, management guided that it had an order book (quantum was not disclosed) from customers for FY22F and the company is also developing new equipment designs and solutions to penetrate the renewable energy industry. For Sydrogen (which offers coating solutions), management guided that the company was on track to recognise initial revenue from an automotive project in 2H22F.

**Reiterate Add**

As Nanofilm missed our FY21 revenue forecast, we have lowered our FY22-23F revenue expectations by 9.5-9.9%, leading to a 1.8-2.0% decrease in our FY22-23F EPS estimates. Our FY21-24F EPS CAGR is 22.54%. At a P/E multiple of 22.54x, the implied P/E-to-growth ratio is 1.00x. Although Nanofilm is optimistic on its FY22F outlook, we apply a 10.0% discount to this PEG ratio (see Figure 3) to factor in earnings risks from disruptions related to the Covid-19 pandemic and impact on consumer demand from the Ukraine-Russia tensions. This results in a P/E of 20.29x and we ascribe a 15% premium (unchanged) to this multiple (for its potential growth prospects and proprietary technology) and value the company at 23.33x FY23F EPS, leading to a lower TP of S\$3.50 (previously S\$3.92 using 25.59x FY23F EPS). Re-rating catalysts include new order wins from customers and market share gains. Downside risks are customer concentration/persistent component shortages, and an inability to find uses in new verticals for its coating solutions.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	218.3	246.7	302.3	361.3	416.9
Net Profit (S\$m)	57.6	62.2	80.9	99.0	114.5
Core EPS (S\$)	0.09	0.09	0.12	0.15	0.17
Core EPS Growth	45.7%	0.2%	29.9%	22.4%	15.6%
FD Core P/E (x)	30.47	30.44	23.40	19.12	16.54
Price To Sales (x)	8.04	7.67	6.26	5.24	4.54
DPS (S\$)	-	0.020	0.031	0.038	0.043
Dividend Yield	0.00%	0.70%	1.07%	1.31%	1.51%
EV/EBITDA (x)	17.41	19.36	15.63	12.27	10.48
P/FCFE (x)	122.5	NA	NA	19.6	111.3
Net Gearing	(42.6%)	(20.0%)	(7.8%)	(18.0%)	(13.4%)
P/BV (x)	4.39	4.41	3.86	3.35	2.91
ROE	20.9%	14.5%	17.6%	18.8%	18.8%
% Change In Core EPS Estimates			(1.78%)	(2.02%)	
CGS-CIMB/Consensus EPS (x)			1.01	1.03	0.91

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (\$\$ m)	2HFY21	2HFY20	yoy % chg	hoh % chg	FY21 cum	FY20 cum	yoy % chg	Prev FY21F	Comments
Revenue	150.1	140.5	6.8	55.3	246.7	218.3	13.0	269.7	Below expectations, full year revenue came in at 92% of our/ consensus full year forecasts.
Cost of sales	(72.4)	(61.6)	17.4	38.7	(124.5)	(98.6)	26.4	(130.6)	
Gross profit	77.7	78.9	(1.5)	74.8	122.2	119.8	2.0	139.1	
Gross profit margin (%)	51.8%	56.1%	.4% pts	.8% pts	49.5%	0.5	.4% pts	51.6%	
Exceptionals	-	2.4	(100.0)	na	-	2.4	(100.0)	0.0	IPO expenses.
Pretax profit	48.6	47.7	1.9	128.9	69.9	70.3	(0.6)	73.8	
Tax	(4.2)	(8.2)	(48.7)	34.4	(7.3)	(12.2)	(40.0)	(9.9)	
Tax rate (%)	8.6%	17.2%	.5% pts	.1% pts	0.1049	0.2	.9% pts	0.1	
Minority interests	0.1	0.4	(74.2)	(58.0)	0.3	0.4	(26.8)	0.1	
Net profit	44.3	39.2	13.2	147.8	62.2	57.6	8.0	63.7	Full year net profit formed 98% of our/ consensus full year forecasts, we deem this as in line.
Core net profit	44.3	36.7	20.7	147.8	62.2	55.2	12.7	63.7	In line, forming 98% of our/ consensus full year forecasts .
EPS (cts)	6.7	7.2	(7.2)	147.6	9.4	10.6	(11.4)	9.63	
Core EPS (cts)	6.7	6.8	(1.3)	147.6	9.4	10.2	(7.7)	9.63	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Earnings revisions**

S\$m	Old		New		% Chg	
	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F
Revenue	334.2	401.1	302.3	361.3	-9.5%	-9.9%
Advanced Materials	294.4	359.0	246.7	302.8	-16.2%	-15.6%
Industrial Equipment	31.7	33.0	46.9	48.7	47.7%	47.7%
Nanofabrication	8.2	9.1	8.7	9.8	7.1%	7.1%
Gross profit	171.2	204.7	158.7	189.8	-7.3%	-7.3%
Core net profit	82.6	101.3	80.9	99.0	-1.8%	-2.0%
Core EPS (\$\$)	0.125	0.153	0.123	0.150	-1.8%	-2.0%
Number of shares (m)	661.6	661.6	659.7	659.7	-0.3%	-0.3%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 3: TP derivation**

FY21-24F EPS CAGR	22.54%
Ascribed PE (x)	22.54
Implied PEG ratio (x)	1.00
Discount	10.00% 10.00% discount for earnings risk from supply chain issues (Covid pandemic) and impact on consumer demand from Ukraine/Russia tensions (previously no discount).
Target P/E (x)	20.29
Premium	15.00% 15.00% premium (unchanged) for its proprietary technology
Target PE	23.33
FY23F EPS	0.1501
TP	3.50
Last price	2.87
Upside	21.99%
Recommendation	Add

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 4: Global peer Comparison**

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x) CY22F	P/E (x) CY23F	3-year EPS CAGR (%)	P/BV (x) CY22F	Recurring ROE (%) CY22F	Dividend Yield (%) CY22F
Materion Corp	MTRN US	NR	81.19	NA	1,660	16.2	14.0	na	2.08	13.6%	na
Entegris Inc	ENTG US	NR	124.4	NA	16,854	29.7	26.1	20.7%	7.52	26.3%	0.3%
Rogers Corp	ROG US	NR	272.3	NA	5,119	39.2	25.3	na	na	na	na
3M Co	MMM US	NR	144.4	NA	82,455	13.9	13.0	4.7%	4.83	38.2%	4.2%
PPG Industries Inc	PPG US	NR	140.6	NA	33,184	18.8	15.6	17.9%	4.74	25.9%	1.7%
CMC Materials Inc	CCMP US	NR	182.5	NA	5,215	23.7	21.4	287.6%	na	na	1.0%
Element Solutions Inc	ESI US	NR	23.38	NA	5,802	14.6	12.9	33.5%	2.48	15.3%	1.0%
EMS-Chemie Holding AG	EMSN SW	NR	915.5	NA	23,310	34.9	30.4	9.7%	11.52	32.7%	2.4%
OC Oerlikon Corp AG	OERL SW	NR	8.39	NA	3,101	14.8	13.8	na	1.95	13.4%	4.5%
Tosoh Corp	4042 JP	NR	1,761	NA	4,994	6.3	6.1	-35.7%	0.75	12.8%	3.7%
<b>Nanofilm Technologies Int'l Ltd</b>	<b>NANO SP</b>	<b>ADD</b>	<b>2.87</b>	<b>3.50</b>	<b>1,404</b>	<b>23.4</b>	<b>19.1</b>	<b>na</b>	<b>3.86</b>	<b>17.6%</b>	<b>1.1%</b>
<b>Simple average excluding Nanofilm</b>						<b>21.2</b>	<b>17.9</b>	<b>48.3%</b>	<b>4.5</b>	<b>22.3%</b>	<b>2.4%</b>

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG  
NOTE: FORECASTS FOR NOT RATED COMPANIES ARE BLOOMBERG CONSENSUS ESTIMATES  
DATA AS AT 24 FEB 2022

**Figure 5: Asian Peers Comparison**

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x) CY22F	P/E (x) CY23F	3-year EPS CAGR (%)	P/BV (x) CY22F	Recurring ROE (%) CY22F	Dividend Yield (%) CY22F
<b>Singapore</b>											
<b>Nanofilm Technologies Int'l Ltd</b>	<b>NANO SP</b>	<b>ADD</b>	<b>2.87</b>	<b>3.50</b>	<b>1,404</b>	<b>23.4</b>	<b>19.1</b>	<b>22.5%</b>	<b>3.86</b>	<b>17.6%</b>	<b>1.1%</b>
AAC Technologies	2018 HK	Reduce	23.70	26.41	3,670	14.9	12.6	na	1.11	7.7%	1.3%
Avary Holding Shenzhen Co Ltd	002938 CH	NR	35.92	NA	12,886	19.8	17.8	na	3.06	15.6%	1.5%
BOE Technology Group-A	000725 CH	Add	4.77	8.50	28,735	10.5	10.4	na	1.38	13.5%	3.8%
BYD Electronic International C	285 HK	NR	23.35	NA	6,364	10.4	7.8	na	1.41	15.0%	1.2%
Cowell e Holdings Inc	1415 HK	Add	8.94	14.17	956	11.3	8.2	na	2.38	23.1%	1.3%
GoerTek Inc	002241 CH	NR	45.28	NA	23,884	26.1	20.8	na	4.94	20.6%	0.7%
Jabil Inc	JBL US	NR	57.20	NA	8,207	8.5	7.9	-1.7%	3.12	39.8%	0.6%
Largan Precision Co Ltd	3008 TT	NR	2,095	NA	9,756	14.3	13.3	10.9%	1.72	13.0%	3.3%
Lens Technology Co Ltd-A	300433 CH	Add	14.52	33.55	11,430	10.7	8.9	na	1.30	12.6%	2.3%
LG Display	034220 KS	Reduce	18,400	18,000	5,516	9.4	7.5	na	0.47	5.2%	0.0%
LG Innotek	011070 KS	Add	323,000	360,000	6,405	8.7	7.9	na	1.84	23.5%	0.8%
OFILM Group Co Ltd	002456 CH	NR	8.26	NA	4,126	23.7	21.7	na	2.42	3.9%	0.3%
Pegatron Corp	4938 TT	NR	69.80	NA	6,537	10.8	10.0	na	1.04	9.8%	6.3%
Q Technology	1478 HK	Add	8.41	20.61	1,274	5.5	4.6	na	1.33	26.9%	1.8%
Samsung Electro-Mechanics	009150 KS	Add	163,000	195,000	10,201	10.4	9.5	na	1.59	16.6%	0.9%
Samsung Electronics	005930 KS	Add	71,500	106,000	357,640	10.4	na	na	1.41	14.4%	3.0%
Shenzhen Everwin Precision Tec	300115 CH	NR	12.41	NA	2,282	12.8	9.7	na	1.94	15.1%	1.2%
Shenzhen Goodix Tech-A	603160 CH	Reduce	90.69	92.00	6,582	33.6	28.9	na	3.91	12.5%	0.4%
Sunny Optical Technology	2382 HK	Add	191.9	261.4	26,971	23.4	18.6	na	6.37	31.8%	0.9%
Tianma Microelectronics-A	000050 CH	Add	11.82	20.26	4,598	11.1	9.6	na	0.76	7.1%	0.9%
Tongda Group Holdings Ltd	698 HK	Hold	0.17	0.28	208	3.2	2.6	na	0.13	6.5%	4.7%
Universal Scientific Industrial	601231 CH	Add	14.18	24.23	4,961	14.3	12.2	na	2.28	16.5%	4.2%
Will Semiconductor Ltd-A	603501 CH	Add	246.0	387.0	34,091	41.3	32.8	na	10.56	28.6%	0.2%
Zhen Ding Technology Holding L	4958 TT	NR	94.30	NA	3,113	8.4	7.3	na	1.05	11.6%	5.9%
<b>Simple average</b>						<b>14.7</b>	<b>12.6</b>	<b>4.6%</b>	<b>2.40</b>	<b>16.3%</b>	<b>2.0%</b>

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG  
NOTE: FORECASTS FOR NOT RATED COMPANIES ARE BLOOMBERG CONSENSUS ESTIMATES  
DATA AS AT 24 FEB 2022

**Figure 6: Abbreviations used in this report**

Nanofilm	Nanofilm Technologies International Ltd
AMBU	Advanced Materials Business Unit
NFBU	Nanofabrication Business Unit
IEBU	Industrial Equipment Business Unit
Sydragen	Sydragen Energy Pte Ltd

SOURCES: COMPANY REPORTS



## ESG in a nutshell

Nanofilm Technologies Int'l Ltd (Nanofilm) is a deep technology company offering advanced materials and filtered cathodic vacuum arc (FCVA) coating technologies. The company has a strong commitment to ESG and sustainable production methods. Nanofilm was awarded Frost & Sullivan's 2021 Asia Pacific Technology Innovation Leadership Award and Deloitte's Best Managed Companies Singapore 2021, underscoring the company's ESG commitment and environmentally friendly production process (as compared to conventional coating technologies in the market).

Upcoming events to watch out for include Nanofilm's JV with Temasek in Sydrogen Energy, where it will be providing advanced materials surface solutions to critical components in fuel cell and electrolyser systems.

### Keep your eye on

Nanofilm has a JV with Temasek, named Sydrogen Energy in the hydrogen energy economy to apply its advanced materials surface solutions to critical components in fuel cell and electrolyser systems. Hydrogen fuel cells are more environmentally friendly as they generate electricity without emitting carbon dioxide or other harmful pollutants (unlike other conventional energy sources).

### Implications

This is positive if the JV can successfully garner market adoption and reach a commercial scale, which will open up a new revenue stream for Nanofilm.

### ESG highlights

Nanofilm was awarded the Frost & Sullivan's 2021 Asia Pacific Technology Innovation Leadership Award. According to Frost & Sullivan, FCVA and FCVA Hybrid coating technologies and production processes do not require high heat and can perform vacuum coating deposition at room temperature in an environmentally friendly manner as compared to conventional coating technologies in the market. Nanofilm was also named one of the inaugural winners of Deloitte's Best Managed Companies Singapore 2021 award, underscoring its commitment to ESG.

### Implications

This highlights that Nanofilm's FCVA-based coating methods are differentiated from conventional coating methods in the market on both technology and environmental fronts. In our view, as customers increasingly take into account environmental considerations in their production processes, Nanofilm's more environmentally friendly technology and processes would be an attractive solution. This could raise the demand for its coating services, driving higher revenue and earnings.

### Trends

According to Nanofilm, all of its factories are fully compliant with the environmental laws and regulations in the countries that they operate in. Nanofilm is committed to environmental protection, reducing carbon emissions, preventing pollution, and minimising waste. In addition, Nanofilm is also subject to regular and annual ESG audits performed by its global customers. In FY20, Nanofilm was subjected to two ESG audits from its customers, and met all their requirements.

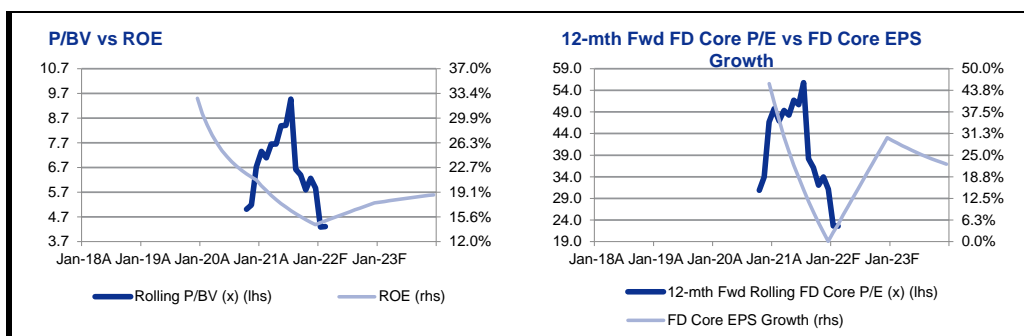
### Implications

In FY20, Nanofilm generated a carbon footprint of 43,890.6 tonnes of carbon dioxide emission (tCO<sub>2</sub>e), with a carbon footprint intensity of 46.1 tCO<sub>2</sub>e per thousand machine production hours. The emission mainly arises from purchased electricity used in its properties which accounted for more than 96% of the total carbon emission of Nanofilm. The rest of the emissions are due to direct fuels used for power generators and vehicular transport (using petrol or diesel).

The Group will continue with its efforts to optimise eco-efficiency at its operations. By 2030, Nanofilm aims to reduce 30% of its carbon dioxide emission per output and has committed to monitor the performance of its carbon footprint reduction and report on the progress yearly.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>222.5</b>	<b>255.2</b>	<b>306.3</b>	<b>365.3</b>	<b>420.9</b>
<b>Gross Profit</b>	<b>124.0</b>	<b>130.7</b>	<b>162.7</b>	<b>193.8</b>	<b>221.7</b>
<b>Operating EBITDA</b>	<b>90.6</b>	<b>95.1</b>	<b>121.4</b>	<b>149.1</b>	<b>176.1</b>
Depreciation And Amortisation	(19.3)	(25.5)	(28.8)	(35.6)	(44.8)
<b>Operating EBIT</b>	<b>71.3</b>	<b>69.6</b>	<b>92.6</b>	<b>113.5</b>	<b>131.3</b>
Financial Income/(Expense)	(1.0)	0.3	(0.0)	(0.2)	(0.4)
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
<b>Profit Before Tax (pre-EI)</b>	<b>70.3</b>	<b>69.9</b>	<b>92.6</b>	<b>113.3</b>	<b>131.0</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>70.3</b>	<b>69.9</b>	<b>92.6</b>	<b>113.3</b>	<b>131.0</b>
Taxation	(12.2)	(7.3)	(11.6)	(14.2)	(16.4)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>58.1</b>	<b>62.5</b>	<b>81.0</b>	<b>99.1</b>	<b>114.6</b>
Minority Interests	(0.4)	(0.3)	(0.1)	(0.1)	(0.1)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>57.6</b>	<b>62.2</b>	<b>80.9</b>	<b>99.0</b>	<b>114.5</b>
Recurring Net Profit	57.6	62.2	80.9	99.0	114.5
<b>Fully Diluted Recurring Net Profit</b>	<b>57.6</b>	<b>62.2</b>	<b>80.9</b>	<b>99.0</b>	<b>114.5</b>

### Cash Flow

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>90.58</b>	<b>95.12</b>	<b>121.40</b>	<b>149.11</b>	<b>176.14</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(26.13)	(16.00)	(79.53)	33.59	(80.63)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	6.66	1.56	0.29	0.29	0.29
Other Operating Cashflow					
Net Interest (Paid)/Received	(1.88)	0.63	(0.01)	(0.18)	(0.36)
Tax Paid	(10.21)	(8.11)	(11.58)	(14.16)	(16.37)
<b>Cashflow From Operations</b>	<b>59.02</b>	<b>73.20</b>	<b>30.58</b>	<b>168.64</b>	<b>79.07</b>
Capex	(80.20)	(115.31)	(63.63)	(76.06)	(66.91)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	0.18	(4.50)	0.00	0.00	0.00
<b>Cash Flow From Investing</b>	<b>(80.02)</b>	<b>(119.81)</b>	<b>(63.63)</b>	<b>(76.06)</b>	<b>(66.91)</b>
Debt Raised/(repaid)	35.33	(12.53)	(0.53)	4.20	4.86
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased					
Dividends Paid	(9.63)	(6.59)	(20.26)	(24.79)	(28.65)
Preferred Dividends					
Other Financing Cashflow	(4.89)	(2.24)	0.00	0.00	0.00
<b>Cash Flow From Financing</b>	<b>20.81</b>	<b>(21.35)</b>	<b>(20.79)</b>	<b>(20.58)</b>	<b>(23.79)</b>
Total Cash Generated	(0.19)	(67.96)	(53.84)	72.00	(11.64)
<b>Free Cashflow To Equity</b>	<b>14.33</b>	<b>(59.14)</b>	<b>(33.58)</b>	<b>96.79</b>	<b>17.01</b>
<b>Free Cashflow To Firm</b>	<b>(18.60)</b>	<b>(46.26)</b>	<b>(31.85)</b>	<b>93.97</b>	<b>13.71</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	227.4	176.6	122.8	194.8	183.1
Total Debtors	95.7	106.8	132.5	158.4	182.8
Inventories	15.8	17.4	23.6	28.2	32.7
Total Other Current Assets	17.7	27.9	25.7	26.2	28.1
<b>Total Current Assets</b>	<b>356.5</b>	<b>328.7</b>	<b>304.6</b>	<b>407.6</b>	<b>426.8</b>
Fixed Assets	174.5	290.2	323.9	362.8	383.0
Total Investments	0.0	0.0	0.0	0.0	0.0
Intangible Assets	3.8	9.9	11.0	12.6	14.5
Total Other Non-Current Assets	13.6	14.8	14.5	14.2	13.9
<b>Total Non-current Assets</b>	<b>191.9</b>	<b>314.8</b>	<b>349.4</b>	<b>389.5</b>	<b>411.3</b>
Short-term Debt					
Current Portion of Long-Term Debt	21.4	2.1	3.9	5.4	8.1
Total Creditors	47.1	60.5	10.3	74.3	24.0
Other Current Liabilities	19.1	11.5	11.9	12.5	13.1
<b>Total Current Liabilities</b>	<b>87.7</b>	<b>74.1</b>	<b>26.1</b>	<b>92.2</b>	<b>45.2</b>
Total Long-term Debt	18.3	79.3	76.9	79.6	81.8
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1.4	15.3	15.3	15.3	15.3
<b>Total Non-current Liabilities</b>	<b>19.8</b>	<b>94.6</b>	<b>92.2</b>	<b>94.9</b>	<b>97.1</b>
Total Provisions	1.0	1.3	1.3	1.3	1.3
<b>Total Liabilities</b>	<b>108.5</b>	<b>169.9</b>	<b>119.6</b>	<b>188.4</b>	<b>143.5</b>
Shareholders' Equity	430.8	429.6	490.2	564.5	650.3
Minority Interests	9.6	45.4	45.5	45.7	45.8
<b>Total Equity</b>	<b>440.4</b>	<b>475.0</b>	<b>535.8</b>	<b>610.1</b>	<b>696.1</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	52.8%	13.0%	22.5%	19.5%	15.4%
Operating EBITDA Growth	63.7%	5.0%	27.6%	22.8%	18.1%
Operating EBITDA Margin	41.5%	38.6%	40.2%	41.3%	42.2%
Net Cash Per Share (S\$)	0.28	0.14	0.06	0.17	0.14
BVPS (S\$)	0.65	0.65	0.74	0.86	0.99
Gross Interest Cover	45.34	98.83	76.85	82.04	84.31
Effective Tax Rate	17.4%	10.5%	12.5%	12.5%	12.5%
Net Dividend Payout Ratio	NA	21.2%	25.0%	25.0%	25.0%
Accounts Receivables Days	129.0	149.8	144.5	146.9	149.7
Inventory Days	56.68	48.58	52.07	55.11	55.99
Accounts Payables Days	156.3	157.7	90.0	90.0	90.2
ROIC (%)	45.4%	27.3%	23.5%	22.3%	25.5%
ROCE (%)	21.7%	13.6%	16.0%	17.5%	17.9%
Return On Average Assets	15.1%	10.4%	12.5%	13.7%	14.1%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Advanced Materials (% yoy)	66.5%	6.5%	27.0%	22.7%	17.5%
Industrial Equipment (% yoy)	-10.2%	81.3%	5.0%	4.0%	3.0%
Nanofabrication (% yoy)	90.3%	-30.7%	12.0%	12.0%	12.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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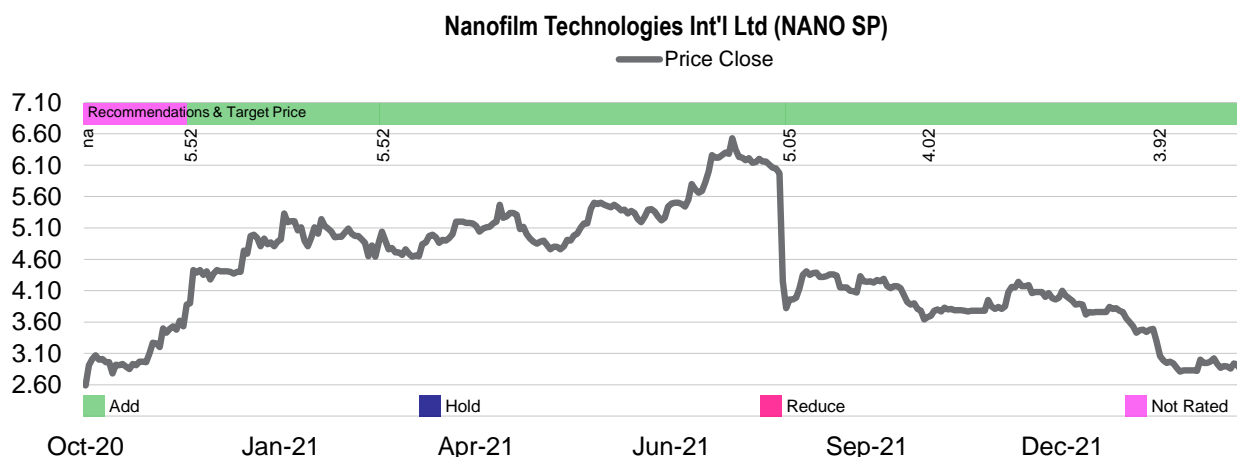
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

