

# Thin Film Electronics

## Thinfilm joins NFC Forum board of directors

Progress update

Thinfilm has announced that it has been voted onto the NFC Forum board of directors. This is the governing body of the organisation and as such is responsible for its budget, specification of standards and overall direction of NFC deployment. We leave our estimates unchanged.

Year end	Revenue (\$m)	EBITDA* (\$m)	PBT* (\$m)	EPS* (c)	DPS (c)	EV/Sales (x)
12/16	3.8	(36.9)	(42.8)	(6.5)	0.0	16.6
12/17	5.9	(50.9)	(57.5)	(6.6)	0.0	10.7
12/18e	2.8	(48.5)	(53.2)	(4.5)	0.0	22.6
12/19e	9.2	(49.1)	(57.7)	(4.9)	0.0	6.9

Note: \*EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Our perusal of NFC Forum bylaws reveals that to be accepted as a board director, new members must be approved by at least 80% of the existing board, which comprises Apple, Dai Nippon Printing, Google, Infineon, Mastercard Worldwide, NXP, Qualcomm, Samsung, Sony, STMicroelectronics and Visa. While Thinfilm is much smaller than any of these organisations, as a global pure-play NFC solutions provider, its insights will complement those of its larger peers.

Importantly, Thinfilm's hands-on experience of over 40 in-market developments, which management believes is the largest number conducted by an individual NFC tag solutions provider, is likely to be helpful in determining the future direction of NFC deployment. Additionally, Thinfilm brings a deep understanding of when and where consumers tap onto NFC tags and extensive experience of a wider variety of use cases. These include a marketing campaign for Bodegas Barbadillo, where consumers tapped on neck collars to enter a competition; enabling potential customers of The Conran Shop to add selected pieces of furniture to their Pinterest boards; and connecting people purchasing Slikhaar hair care products to hairstyling videos.

We note that the appointment should also be supportive of Thinfilm's initiative to have its proprietary Tag-Talks-First (TTF) protocol included as part of the main NFC standard. We see this as a key step in getting Apple phones to support TTF protocol. (In contrast, Android-based phones have supported TTF protocol for several years.)

### Tech hardware & equipment

10 December 2018

**Price** **NOK0.81**

**Market cap** **NOK948m**

NOK8.52 /US\$

Net cash (\$m) at 30 September 2018 excluding financial lease 48.1

Shares in issue 1.17bn

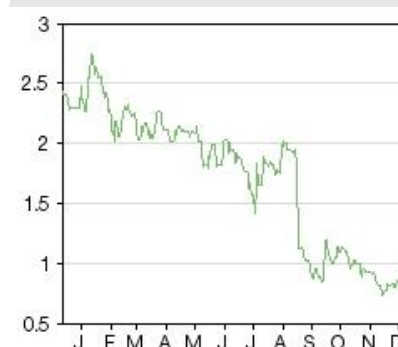
Free float 96.2%

Code THIN

Primary exchange Oslo

Secondary exchange OTCQX

### Share price performance



### Business description

Thin Film Electronics is a global leader in NFC mobile marketing and smart-packaging solutions using printed electronics technology. This technology should enable it to offer printed NFC tags at a substantially lower price point than conventional silicon tags.

### Analysts

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