

Thin Film Electronics

Suspension of forecasts

We are withdrawing our estimates on Thinfilm. Our previous estimates are now out-of-date and should not be relied upon.

Year end	Revenue (\$m)	EBITDA (\$m)	PBT* (\$m)	EPS* (c)	DPS (c)	EV/sales (x)	Yield (%)
12/15	4.4	(29.2)	(28.3)	(5.3)	0.0	58.2	N/A
12/16	3.8	(37.1)	(43.0)	(6.6)	0.0	55.0	N/A
12/17e	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12/18e	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Thinfilm has made significant progress on a number of fronts over the past 12 months. The company has secured the lease on an ex Qualcomm state-of-the-art clean room manufacturing plant in San Jose, Ca and is on track to start roll-to-roll manufacturing of EAS (anti-theft) tags by the end of the year, with roll-to-roll NFC production targeted by Q318. The company launched its NFC marketing platform, CNECT in March 2017. Data back from pilots with the likes of Barbadillo and Coronado Brewing have returned some very encouraging results, significantly improving sales and engagement with Mobile-First customers.

Apple's decision to support NFC in iOS 11 should support the uptake of NFC and the company has seen increased interest in CNECT since. It should be noted that until the TTF protocol used by Thinfilm in its NFC SpeedTap tags is accepted by Apple, these tags will not connect with Apple phones, which could suppress market share of Thinfilm's NFC SpeedTap and NFC OpenSense products, until such time as the tags are supported by Apple. Thinfilm is working to have its protocol recognised by the NFC Forum although the timescale for this approval is difficult to gauge. In the interim, Thinfilm will sell conventional silicon NFC tags alongside its printed PDPS variety. With full funding, we believe that support from Apple should be the final building block to support a rapid scaling of the business.

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Tech hardware & equipment

19 October 2017

Price **NOK2.32**
Market cap **NOK1901m**

Net cash (\$m) at 30 June 2017	15.8
Shares in issue	819.4m
Free float	93.0%
Code	THIN
Primary exchange	Oslo
Secondary exchange	OTCQX

Share price performance



Business description

Thin Film Electronics (Thinfilm) is a global leader in NFC marketing and smart-packaging solutions using printed electronics. It creates printed tags, labels, and systems that include memory, sensors, displays, and wireless communications at low cost points vs conventional electronics.

Analysts

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