FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

BUSINESS UPDATE FOR 3Q25

The Board of Directors of Frencken Group Limited ("**Frencken**" or the "**Company**", and together with its subsidiaries, the "**Group**") wishes to provide a voluntary update on the Group's business and financial performance for the three months ended 30 September 2025 ("3Q25").

3Q25 BUSINESS OVERVIEW

The Group's revenue gained 6.5% year-on-year (yoy) to S$211.5 million in 3Q25, primarily on the back of higher contribution from the Mechatronics Division and stable sales from its IMS Division. The Group recorded gross profit margin of 14.8% for 3Q25 compared to 14.0% in 3Q24, attributed mainly to a change in sales mix. As a result, the Group registered a 7.5% increase in net profit attributable to equity holders of the Company ("PATMI") to S$9.9 million in 3Q25 from S$9.2 million in 3Q24.

For the nine months ended 30 September 2025 ("9M25"), the Group registered a 12.5% increase in revenue to S$642.8 million. This was driven by better revenue performance of its Mechatronics Division which offset softer sales from the IMS Division in 9M25. Gross profit margin for 9M25 was largely stable at 14.3%. The Group's PATMI in 9M25 improved 9.1% to S$29.8 million from S$27.4 million in 9M24.

	3Q25	3Q24	*YoY change*	9M25	9M24	*YoY change*
Revenue (S$ m)	211.5	198.6	*6.5%*	642.8	571.3	*12.5%*
Gross profit margin	14.8%	14.0%	*0.8 ppt*	14.3%	14.5%	*(0.2 ppt)*
PATMI (S$ m)	9.9	9.2	*7.5%*	29.8	27.4	*9.1%*

REVENUE ANALYSIS

The Mechatronics Division's revenue increased 6.9% yoy to S$189.0 million in 3Q25. This was lifted mainly by higher revenue contributions from the semiconductor, medical and industrial automation segments, which offset softer revenue from the analytical life sciences segment. The revenue performance of this division's main business segments in 3Q25 is provided below:

- **Semiconductor** segment's revenue increased 8.1% yoy to S$99.1 million, driven mainly by higher sales from the Asia operations, which benefited from a broader product portfolio and a recovery in demand in certain segments of the semiconductor equipment sector.

- **Medical** segment's revenue improved 6.2% yoy to S$31.7 million due mainly to increased customer orders in Asia.

- **Analytical life sciences** segment's revenue declined 8.3% yoy to S$41.0 million, attributed primarily to lower customer demand in Europe. End-market conditions were affected mainly by reduced expenditure from semiconductor market, the cut in government funding for research in the USA, and trade challenges which undermined a key customer's market demand in China.

− **Industrial automation** segment's revenue increased 51.1% to S$13.5 million. This resulted mainly from increased orders from a key customer in data storage solutions.

The IMS Division's revenue increased marginally to S$21.5 million in 3Q25 from S$21.1 million in 3Q24. Sales to automotive customers in 3Q25 rose to S$15.7 million from S$15.5 million previously, while consumer and industrial electronics segments recorded stable sales of S$4.4 million.

In terms of revenue breakdown by business segments, the semiconductor segment accounted for 47% of Group revenue in 3Q25. Analytical life sciences and medical segments contributed 19% and 15% respectively, while the industrial automation and automotive segments each made up 6% and 7% of revenue in 3Q25.

BALANCE SHEET HIGHLIGHTS

As at 30 September 2025, the Group had total assets of S$729.9 million, including cash and cash equivalents of S$149.3 million. Total liabilities stood at S$268.3 million, of which total borrowings amounted to S$50.3 million. The Group had shareholders' equity of S$458.0 million, equivalent to a net asset value of S$1.07 per share. At the end of 3Q25, the Group remained in a sound financial position with net cash of S$99.0 million and a total debt-to-equity ratio of around 11.0%.

BUSINESS SEGMENT OUTLOOK

Notwithstanding the uncertain business climate, the Group achieved year-on-year growth in revenue and net profit for 3Q25 and 9M25.

However, the volatile geopolitical tensions continue to cast uncertainties on the outlook of the global economy, as the prolonged unpredictability of tariffs weighs on business confidence and investment decisions. As such, the Group expects the near-term operating landscape to remain challenging due to the potential fallout on global trade and market demand, supply chain disruptions, inflation and foreign currency market volatility.

During 9M25, the Group's Mechatronics operations in Asia demonstrated a continued recovery in revenue for its semiconductor business, which serves wafer fabrication tool makers and back-end assembly & test equipment companies. Likewise, its industrial automation segment also witnessed an upturn in sales, together with improvements in analytical life sciences and medical segments. This pace of recovery at Mechatronics Asia, however, may not be sufficient to fully offset the short-term market softness of the analytical life sciences business in Europe this year. Semiconductor business in Europe may also be undermined by a recalibration in order flow from a customer as it expects end-market demand to moderate following strong business over the past two years.

In light of these factors and the fluid macroeconomic backdrop, Group revenue for 2H25 is anticipated to come in marginally lower when compared to 1H25, based on current indicators and barring unforeseen circumstances, including but not limited to the impact of tariff policies.

Nevertheless, on a full-year basis, the Group still expects revenue growth for FY2025 over FY2024.

Anticipated revenue performances of key business segments

	2H25 versus 1H25	FY2025 versus FY2024
Semiconductor	Marginally lower	Higher
Medical	Stable	Higher
Analytical life sciences	Lower	Lower
Industrial Automation	Higher	Higher
Automotive	Higher	Stable

Frencken remains confident of its longer-term growth trajectory. Backed by strong partnerships with market-leading customers, the Group's semiconductor segment is well-positioned to capitalise on the secular uptrend of the chip sector. The Mechatronics operations in Asia will continue to work closely with key customers to ride on the recovery in momentum and grow its wallet share. To broaden its portfolio and build future pipeline, the Asia operations have started work on new programs this year for existing and new customers in semiconductor equipment.

The medical and analytical life sciences segments will also remain as core business pillars to provide diversity for greater resilience. The Group plans to continue developing *local-for-local* business in Asia for these segments, and also harness emerging opportunities in its nascent aerospace business in the coming years. To widen future revenue streams, the Group is looking to further develop its advanced plastics solutions under the IMS Division.

As part of its transformation strategy for the IMS Division, Frencken is looking to scale the value chain by expanding its advanced plastics solutions to cater to the automotive industry and beyond, such as a new generation of plastic gearbox, motor and control systems for service robots which is in an infancy stage.

For the automotive sector, the Group has proven capabilities in volume production of metallised-plastic radar antennas. This underpins the manufacturing partnership between Frencken and Sweden-based Gapwaves which has recently announced the integration of a new generation of radar sensors for a premium European automaker. Together with Gapwaves, Frencken believes it is primed to ride on the adoption of radar antennas in the automotive industry when it gathers pace.

Frencken believes its proven business model built on market and geographical diversity, robust financial position, and strong partnerships with market leaders help to strengthen the Group's resilience against economic volatility to thrive over the long term. The Group will continue to focus on driving long-term sustainable growth and stakeholder value as it executes strategic initiatives to shape and strengthen its core businesses.

On behalf of the Board,

Dennis Au
Executive Director

17 November 2025

About Frencken Group Limited

Frencken Group is a Global Integrated Technology Solutions Company that serves world-class multinational companies in the aerospace, analytical life sciences, automotive, healthcare, industrial and semiconductor industries.

Frencken Group operates on a worldwide scale through its established local presence of 19 operating sites and over 3,600 employees across Asia, Europe and the USA. Working in partnership with its growing base of global customers, the Group unites the strengths of its strategically located businesses to create value for a wide variety of end-user markets.

Leveraging on its advanced technological and manufacturing capabilities, Frencken Group provides comprehensive Original Design, Original Equipment and Diversified Integrated Manufacturing solutions. The Group's extensive solutions span from product conceptualisation, integrated design, prototyping, new product introductions, supply chain design and management, state-of-the-art value and volume manufacturing services to logistics solutions.

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