



FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

BUSINESS UPDATE FOR 1Q21

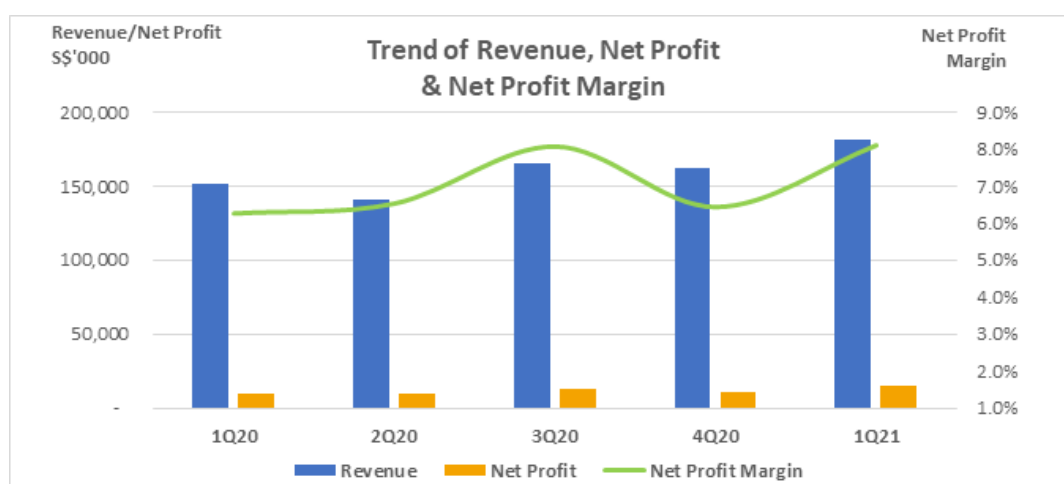
The Board of Directors of Frencken Group Limited (“**Frencken**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide a voluntary update on the Group’s business and financial performance for the three months ended 31 March 2021 (“1Q21”).

FINANCIAL SNAPSHOT

For 1Q21, the Group’s revenue grew 19.9% year-on-year (yoy) to S\$181.5 million. This growth was driven by higher sales of the semiconductor, medical, analytical and automotive segments, and partially offset by softer sales of the industrial automation segment.

The Group reported profit attributable to equity holders of the Company (“PATMI”) of S\$14.7 million in 1Q21, an increase of 54.7% yoy from S\$9.5 million in 1Q20. This improvement was attributable to its revenue growth and better sales mix which contributed to a higher gross profit margin being reported in 1Q21.

S\$'000	1Q21	1Q20	yoy (%)
Revenue	181,533	151,366	19.9
PATMI	14,694	9,501	54.7
PATMI Margin	8.1%	6.3%	1.8 ppt



REVENUE SNAPSHOT

The Group’s revenue of S\$181.5 million in 1Q21 was contributed mainly by sales of S\$154.1 million from the Mechatronics Division. The IMS Division accounted for the remaining sales of S\$27.3 million.

The Mechatronics Division's revenue increased 21.6% yoy to S\$154.1 million in 1Q21. The sales performance of its main business segments are provided below:

- **Semiconductor** segment's sales jumped 58.0% to S\$65.9 million
- **Medical** segment's sales increased 5.7% yoy to S\$23.3 million
- **Analytical** segment's sales grew 11.0% yoy to S\$33.4 million
- **Industrial automation** segment's sales eased 2.1% yoy to S\$28.7 million.

The IMS Division's revenue increased 9.9% yoy to S\$27.3 million in 1Q21. The sales performance of its main business segments are provided below:

- **Automotive** segment's sales increased 14.8% yoy to S\$21.6 million
- **Consumer and industrial electronics** segment's sales was stable yoy at S\$4.6 million.

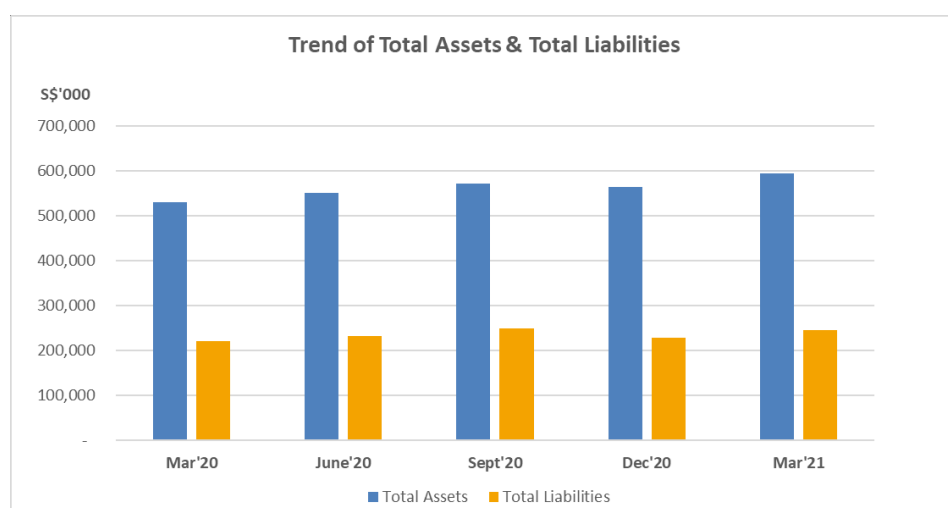
GROSS PROFIT

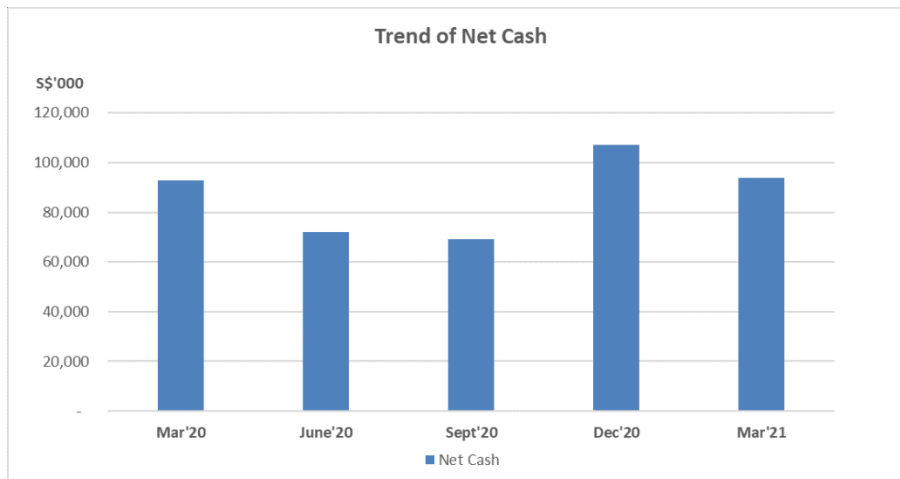
The Group's gross profit increased 32.6% yoy to S\$31.3 million in 1Q21. Gross profit margin expanded by 1.7 percentage points (ppt) to 17.3% in 1Q21 from 15.6% in 1Q20 which is attributable to higher sales, shift in sales mix and higher operational efficiencies.

BALANCE SHEET

As at 31 March 2021, the Group had total assets of S\$595.0 million including cash and cash equivalents of S\$164.6 million. Total liabilities stood at S\$244.4 million of which total borrowings comprised S\$70.9 million. The Group had shareholders' equity of S\$348.0 million, equivalent to net asset value of 81.50 cents per share. The Group remains in a sound financial position with net cash of S\$93.7 million.

As at 31 March 2021 (S\$'000)	
Total Assets	594,972
Total Liabilities	244,379
Cash and Cash Equivalents	164,603
Total Borrowings *	70,879
Net Cash	93,724
* Total Borrowings = Total Borrowings excluding Lease Liabilities	





BUSINESS SEGMENT OUTLOOK

The operating landscape is expected to remain challenging and uncertain as new COVID-19 infections and variants will continue to weigh on the outlook of the global economy.

Based on current indicators and barring any unforeseen circumstances or further deterioration in the business environment, the Group continues to expect its revenue in 1H21 to increase half-on-half as compared to 2H20, driven by higher sales from the majority of its key business segments.

- **Semiconductor** segment is expected to post revenue growth in 1H21 as compared to 2H20, on the back of strong global demand for front-end and back-end semiconductor equipment
- **Medical** segment's revenue is anticipated to increase in 1H21 as compared to 2H20
- **Analytical** segment is expected to record modest revenue growth in 1H21 as compared to 2H20
- **Industrial Automation** segment's revenue is anticipated to soften in 1H21 as compared to 2H20
- **Automotive** segment's revenue is anticipated to soften in 1H21 as compared to 2H20.

On behalf of the Board,

Dennis Au
Executive Director

12 May 2021

About Frencken Group Limited

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

Frencken Group operates on a worldwide scale through its established local presence of 17 operating sites and 3,400 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 conceptualization, integrated design, prototyping, new product introductions, supply chain design and management, state-of-the-art value and volume manufacturing services to logistics solutions.

MEDIA AND INVESTOR RELATIONS CONTACT

OCTANT CONSULTING

phone (65) 62963583

Herman Phua | mobile 9664 7582 | email herman@octant.com.sg

Lisa Heng | mobile 9090 9887 | email lisa@octant.com.sg