



**FRENCKEN GROUP LIMITED**  
(Company Registration No. 199905084D)

**Announcement**

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**BUSINESS UPDATE FOR 1Q24**

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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 2024 (“1Q24”).

**1Q24 BUSINESS OVERVIEW**

The Group’s revenue grew 12.2% year-on-year (yoy) to S\$193.6 million in 1Q24, driven mainly by higher contribution from the Mechatronics Division.

Gross profit margin improved to 13.7% in 1Q24 due mainly to better operating leverage.

For 1Q24, the Group’s profit attributable to equity holders of the Company (“PATMI”) leaped 73.0% to S\$9.0 million, from S\$5.2 million in 1Q23. This was achieved on the back of revenue growth and higher gross profit margin.

	1Q24	1Q23	%
Revenue (S\$ m)	193.6	172.5	12.2
Gross profit margin	13.7%	12.3%	1.4ppt
PATMI (S\$ m)	9.0	5.2	73.0

**REVENUE ANALYSIS**

The Mechatronics Division’s revenue increased 14.4% yoy to S\$170.1 million in 1Q24 as higher revenue contributions from the semiconductor, medical and analytical life sciences segments more than offset a decline in revenue from the industrial automation segment. The revenue performance of this division’s main business segments in 1Q24 is provided below:

- **Semiconductor** segment’s revenue increased 37.4% yoy to S\$79.5 million, driven mainly by strong sales to a key customer in Europe and a modest sales increase from the Asia operations.
- **Medical** segment’s revenue increased 8.6% yoy to S\$32.7 million due mainly to higher sales to a significant customer in Europe.
- **Analytical life sciences** segment’s revenue increased 16.7% yoy to S\$46.6 million, lifted by higher sales to a key customer in Europe.
- **Industrial automation** segment’s revenue decreased 49.5% yoy to S\$9.4 million. This segment’s revenue is typically lumpy and dependent on a key customer’s capital expenditure requirements.

The IMS Division’s revenue of S\$22.8 million in 1Q24 was stable compared to S\$22.9 million in 1Q23. The automotive segment’s revenue eased 6.6% yoy to S\$16.7 million. This was offset by the consumer and industrial electronics segment which recorded a 29.5% yoy increase in revenue to S\$4.8 million in 1Q24.

## BALANCE SHEET HIGHLIGHTS

As at 31 March 2024, the Group had total assets of S\$708.9 million, including cash and cash equivalents of S\$152.3 million. Total liabilities stood at S\$296.9 million, of which total borrowings amounted to S\$90.1 million. The Group had shareholders' equity of S\$408.1 million, equivalent to a net asset value of 95.57 cents per share. At the end of 1Q24, the Group remained in a sound financial position with net cash of S\$62.2 million and a total debt-to-equity ratio of 22.1%.

## BUSINESS SEGMENT OUTLOOK

Frencken will continue to adopt a cautious stance given the uncertain global economic climate, geopolitical tensions, and prevailing conflicts in Ukraine and the Middle East. However, the Group is confident it has the ability to weather the current headwinds due to its financial strength, diverse exposure to multiple market segments and entrenched relationships with key customers who are among the market leaders in the high technology industry.

With its strategic global presence, strong engineering know-how and advanced manufacturing capabilities, Frencken believes it offers an attractive and unique value proposition that should enable the Group to ride on the continued growth of the technology sector.

Based on current indicators and barring unforeseen circumstances, the Group expects its revenue in 1H24 to be comparable to 2H23.

### Anticipated performances of the Group's key business segments in 1H24 as compared to 2H23:

- **Semiconductor** segment is expected to post higher revenue;
- **Medical** segment's revenue is anticipated to increase;
- **Analytical life sciences** segment's revenue is anticipated to increase;
- **Industrial Automation** segment's revenue is expected to decrease; and
- **Automotive** segment is anticipated to register softer revenue.

On behalf of the Board,

Dennis Au  
Executive Director

14 May 2024

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### About Frencken Group Limited

Frencken Group is a Global Integrated Technology Solutions Company that serves world-class multinational companies in the 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 conceptualization, 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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### MEDIA AND INVESTOR RELATIONS CONTACT

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