



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

**Announcement**

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**BUSINESS UPDATE FOR 3Q24**

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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 30 September 2024 (“3Q24”).

**3Q24 BUSINESS OVERVIEW**

The Group’s revenue increased 7.7% year-on-year (yoy) to S\$198.6 million in 3Q24, lifted primarily by higher contribution from the Mechatronics Division. Gross profit margin also expanded to 14.0% in 3Q24 compared to 3Q23 due mainly to better operating leverage. As a result, the Group reported higher profit attributable to equity holders of the Company (“PATMI”) of S\$9.2 million in 3Q24, up 29.3% from S\$7.1 million in 3Q23.

For the nine months ended 30 September 2024 (“9M24”), the Group registered a 6.7% yoy increase in revenue to S\$571.3 million. This was driven by better revenue performance of its Mechatronics Division which offset softer sales from the IMS Division in 9M24. Coupled with a higher gross profit margin of 14.5% in 9M24, the Group posted a 42.5% jump in PATMI to S\$27.3 million compared to S\$19.2 million in 9M23.

|                     | 1H24  | 3Q24  | 3Q23  | YoY change | 9M24  | 9M23  | YoY change |
|---------------------|-------|-------|-------|------------|-------|-------|------------|
| Revenue (S\$ m)     | 372.7 | 198.6 | 184.4 | 7.7%       | 571.3 | 535.5 | 6.7%       |
| Gross profit margin | 14.8% | 14.0% | 12.4% | 1.6 ppt    | 14.5% | 12.4% | 2.1 ppt    |
| PATMI (S\$ m)       | 18.1  | 9.2   | 7.1   | 29.3%      | 27.3  | 19.2  | 42.5%      |

**REVENUE ANALYSIS**

The Mechatronics Division’s revenue increased 10.8% yoy to S\$176.8 million in 3Q24, driven mainly by higher revenue contributions from the semiconductor, analytical life sciences and industrial automation segments. The revenue performance of this division’s main business segments in 3Q24 is provided below:

- **Semiconductor** segment’s revenue increased 23.0% yoy to S\$91.7 million on the back of steady sales to a key customer in Europe and continued recovery in sales from the Asia operations.
- **Medical** segment’s revenue eased 4.3% yoy to S\$29.8 million due mainly to slower customer orders in Europe.
- **Analytical life sciences** segment’s revenue increased 4.2% yoy to S\$44.7 million, lifted by higher sales to a key customer in Europe.
- **Industrial automation** segment saw a pick-up in revenue to S\$8.9 million, up 31.5% yoy. This segment’s revenue is typically lumpy and dependent on a key customer’s capital expenditure requirements.

The IMS Division's revenue decreased 12.8% yoy to S\$21.1 million in 3Q24, due mainly to lower contributions from the automotive, and consumer and industrial electronics segments. The Group witnessed a 12.0% decrease in sales to automotive customers to S\$15.5 million during 3Q24. Consumer and industrial electronics segment also registered softer revenue of S\$4.5 million in 3Q24, down 9.1% yoy.

## **BALANCE SHEET HIGHLIGHTS**

As at 30 September 2024, the Group had total assets of S\$732.9 million, including cash and cash equivalents of S\$135.0 million. Total liabilities stood at S\$306.3 million, of which total borrowings amounted to S\$94.2 million. The Group had shareholders' equity of S\$423.1 million, equivalent to a net asset value of 99.06 cents per share. At the end of 3Q24, the Group remained in a sound financial position with net cash of S\$40.8 million and a total debt-to-equity ratio of 22.3%.

## **BUSINESS SEGMENT OUTLOOK**

The global economic environment continues to face considerable uncertainties due to risks from escalation in geopolitical conflicts and increasing trade tensions, lingering inflationary pressures in services and soft global demand. In the technology space, the global semiconductor industry is facing uneven recovery across various markets which has led to delayed timing in demand as seen in some segments of the semiconductor equipment sector. The Group is also mindful of potential trade restrictions that could affect the business environment of technology companies. Nevertheless, the overall semiconductor industry remains on a recovery path as the longer-term outlook for the sector continues to be positive.

The Group expects to post higher revenue in 2H24 as compared to 1H24 based on current indicators and barring unforeseen circumstances.

Frencken is committed to its key customers as a long-term strategic manufacturing solutions partner and will continue to focus on appropriate investments to support their current and future programs. While the Group remains cautious in light of the economic uncertainties, Frencken is continuing to build on its global platforms to capitalise on potential market recovery and business opportunities across its diverse portfolio in 2025.

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

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

On behalf of the Board,

Dennis Au  
Executive Director

19 November 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 3,700 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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### **INVESTOR RELATIONS CONTACT**

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