

Company Name : Frontken Corporation Berhad
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Frontken Kicks Off FY2024 With 27% Jump In Net Profit On Improved Revenue, Better Profit Margin



KUALA LUMPUR (May 2): Surface engineering service provider Frontken Corp Bhd recorded a 27.4% jump year-on-year (y-o-y) in its net profit for the first quarter ended Mar 31, 2024 (1QFY2024) to RM30.05 million, from RM23.58 million last year, mainly due to improved revenue and better profit margin.

Quarterly revenue rose 23.3% to RM140.52 million from RM113.99 million in 1QFY2023, the company's bourse filing on Thursday showed.

Frontken attributed the improved revenue to higher contributions from its subsidiaries in Taiwan, Malaysia and Singapore.

"Volume in the semiconductor space picked up due to higher demand and strong orders from our customers which benefited our Taiwan subsidiary.

"At the same time, our Malaysia unit also experienced higher orders from various contracts for provision of manpower supply and also mechanical rotating equipment services," it said.

Citing the Semiconductor Industry Association, Frontken noted that global semiconductor sales in February remained well ahead of the total from the same month last year, signalling a continuation of the strong y-o-y growth the market has experienced since the middle of last year.

Global semiconductor industry sales rose 16.3% y-o-y in February to US\$39.7 billion (RM189.2 billion), and Frontken is projecting market growth to persist for the remainder of the year.

"To that end, we are cautiously optimistic of much better utilisation of our second facility in Taiwan. The current quarter performance is delivering a good start for 2024 and we are hopeful that the growing trend will continue throughout the remainder of this year," Frontken said.

"As for the oil and gas industry, we are very encouraged by the performance of our business units in this sector due to increased orders from the various contracts for provision of engineering services, manpower supply and also mechanical rotating equipment services and parts that we have with the oil majors," it added.

At 4.02pm on Thursday, Frontken's share price was up 1.02% or four sen at RM3.90, with 2.59 million shares traded. Its market capitalisation stood at RM6.16 billion.