

Company Name : Frontken Corporation Berhad
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Frontken's 2Q Net Profit Rises 4.4%, Declares 1.7 Sen Dividend



KUALA LUMPUR (Aug 14): Semiconductor support services company Frontken Corp Bhd (KL:FRONTKN) said on Wednesday that its net profit for the second quarter rose 4.4% from a year earlier thanks to gains from its Taiwan subsidiary.

Net profit for the quarter ended June 30, 2024 (2QFY2024) stood at RM33.33 million or 2.12 sen per share compared with RM31.91 million or 2.03 sen per share in 2QFY2023, Frontken's bourse filing showed. Revenue for the quarter climbed 11.37% year-on-year to RM134.93 million from RM121.15 million.

Looking ahead, Frontken anticipates “much better utilisation of its second facility in Taiwan”. Rising demand from its customers will continue throughout the remainder of this year, the company noted.

During the quarter, Taiwan accounted for about 70.88% of Frontken's total revenue. In Taiwan, Frontken operates through Ares Green Tech that mainly provides surface treatment and advanced precision cleaning for thin film transistor liquid crystal display and semiconductor industries.

Frontken also declared a first single-tier dividend of 1.7 sen per share. The entitlement and payment dates will be announced at a later date, it said.

For the first half, Frontken’s net profit increased by 14.21% to RM63.39 million from RM55.5 million in the preceding year’s corresponding period, attributed to a better product mix.

Revenue was higher by 17.14% at RM275.44 million from RM235.14 million, thanks to better contributions from nearly all its subsidiaries, led by those servicing the semiconductor industry.

Quarter-on-quarter basis, net profit increased by 9.1% in the second quarter, driven by lower tax provisions, as the company booked provisions for surtax on undistributed earnings in 1QFY2023.

Frontken, however, reported a 4% sequential decline in revenue in 2QFY2024, partly due to a fire incident at its Kulim facility in May 2024 which disrupted normal operations, as well as the inability to invoice for some completed jobs.

At the market break on Wednesday, shares in Frontken slipped one sen or 0.24% to RM4.19, valuing the company at RM6.63 billion.