



## 1H12 Results Presentation



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# FRENCKEN GROUP LIMITED

INCORPORATED IN SINGAPORE

# FRENCKEN GROUP LIMITED

1H12 Results Presentation

## Agenda

- **Financial Review**
  - Key Figures for 1H12
- **Mechatronics Division**
  - Business Review
  - Outlook
- **EMS Division**
  - Business Review
  - Outlook

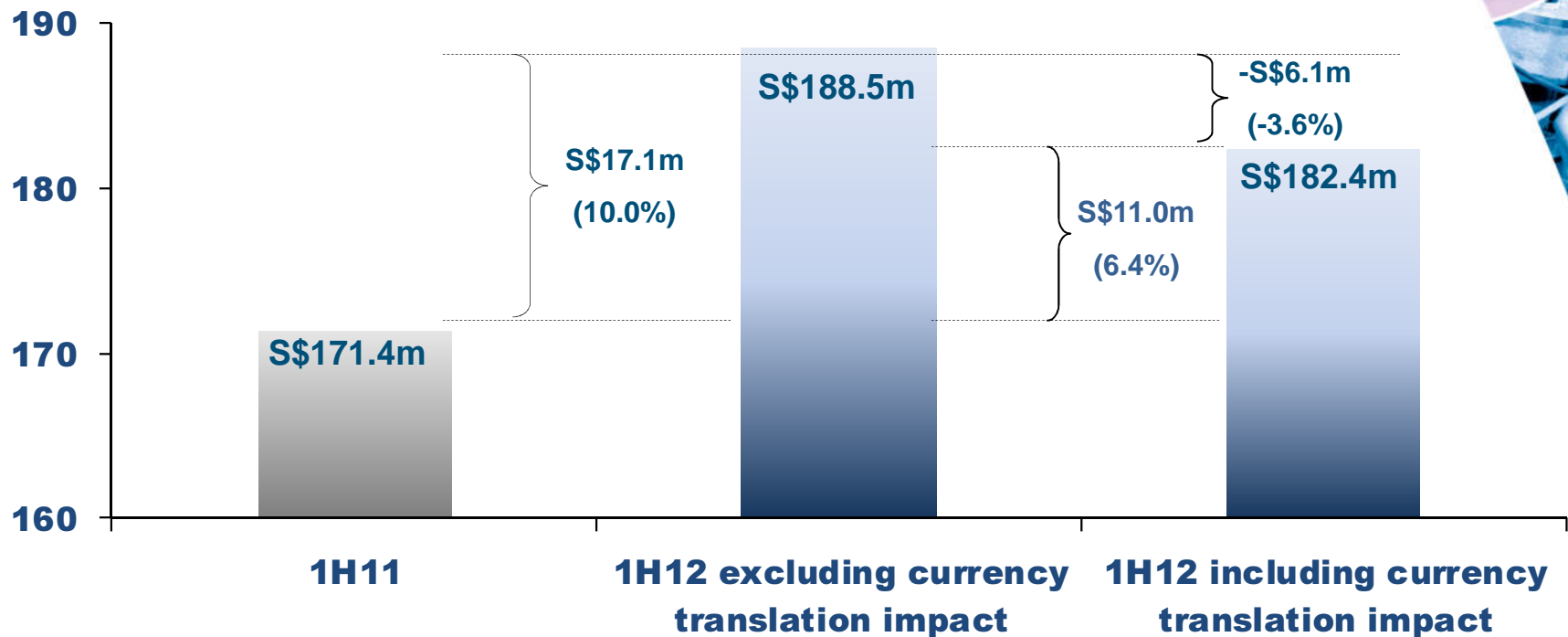
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1H12 Results - Revenue

## FGL Group Revenue (SGD)

Sales



10.0% at constant exchange rates

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## 1H12 Results Presentation

### 1H12 Results – Division Revenue Analysis

(S\$ m)	1H12	1H11	Chg y-o-y
<b><u>Mechatronics</u></b>			
Semiconductor	32.7	40.4	-19%
Medical	33.2	28.5	16%
Analytical	37.0	31.8	16%
Industrial Automation	26.2	20.7	27%
Others	16.9	15.2	11%
	146.0	136.6	7%
<b><u>EMS</u></b>			
Office Automation	12.4	14.7	-16%
Automotive	18.2	10.9	67%
Others (Include Telco)	2.4	3.7	-34%
Product Sales	33.0	29.3	13%
Tooling Sales	3.4	5.5	-38%
	36.4	34.8	5%
<b>Total</b>	<b>182.4</b>	<b>171.4</b>	<b>6%</b>

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## 1H12 Results Presentation

### 1H12 Results – Consolidated Results 1H12 vs 1H11

		1H12		1H11		YOY% Change	
		Sales	Profit/ (Loss) *	Sales	Profit/ (Loss) *	Sales	Profit/ (Loss)
<b>FGL Ltd</b>	<b>SGD</b>	<b>182.4</b>	<b>0.5</b>	<b>171.4</b>	<b>7.3</b>	<b>6%</b>	<b>-93%</b>
<i>Mechatronics</i>	<i>SGD</i>	<i>146.0</i>	<i>7.9</i>	<i>136.6</i>	<i>9.3</i>	<i>7%</i>	<i>-15%</i>
<i>EMS</i>	<i>SGD</i>	<i>36.4</i>	<i>(6.8)</i>	<i>34.8</i>	<i>(2.0)</i>	<i>5%</i>	<i>240%</i>
<i>Exceptional Item #</i>	<i>SGD</i>	<i>-</i>	<i>(0.5)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>N.M</i>

# Note: Exceptional item comprise acquisition expenses relating to the proposed acquisition of Juken as announced on 16 May 2012

\*Excludes Investment Division

N.M. – Not Meaningful



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## 1H12 Results Presentation

### 1H12 Results – P&L Snapshot

(S\$ m)	1H12	1H11	Chg y-o-y
Revenue	182.4	171.4	6%
Gross Profit (GP)	16.3	20.1	-19%
Profit Before Tax <i>before exceptional item</i>	2.8	9.2	-69%
Exceptional Item – Acquisition cost of Juken	(0.5)	-	<i>N.M</i>
Profit Before Tax <i>after exceptional item</i>	2.3	9.2	-75%
Net Profit	0.5	7.3	-93%
<i>NP Margin</i>	<i>0.3%</i>	<i>4.2%</i>	<i>-94%</i>
Effective Tax Rate <i>after exceptional item</i>	<i>77.8%</i>	<i>21.1%</i>	<i>268%</i>

\*N.M. – Not Meaningful

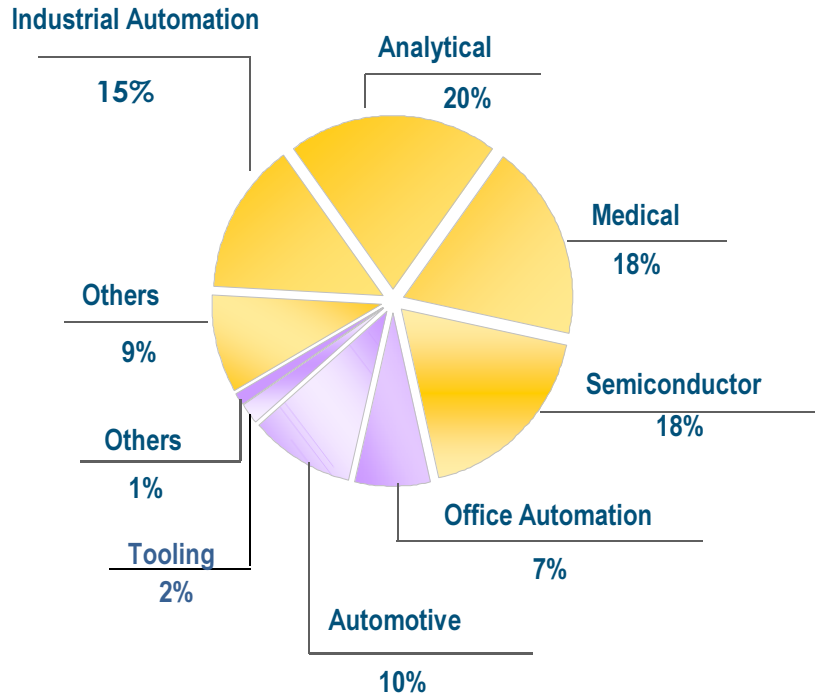
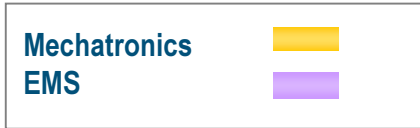
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## Revenue Analysis by Business Segment

### Breakdown by Business Segment

Breakdown by Division:  
Mechatronics – 80%  
EMS – 20%

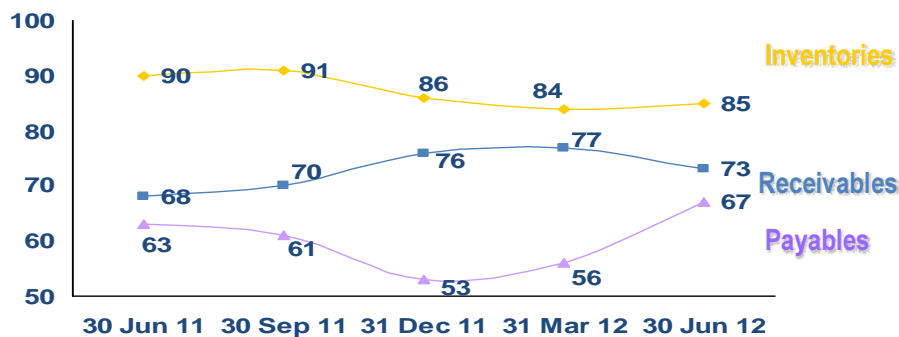


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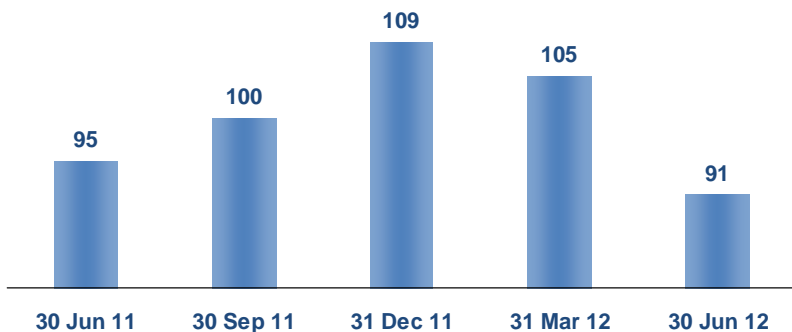
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## Working Capital Management

### Turnover Days



### Cash Conversion Cycle (Days)



Cash Conversion Cycle (Days) = Days sales outstanding + Days inventory outstanding – Days payables outstanding

(\$ m)	30 Jun 12	31 Dec 11
Inventories	77.7	70.8
Trade Receivables	73.1	70.0
Trade Payables	45.5	32.3

(\$ m)	6 months to 30 <sup>th</sup> Jun 2012
Net Profit	0.5
<i>Non-Cash</i>	8.2
<i>Working Capital</i>	(1.8)
<i>Taxes &amp; Interest</i>	(2.0)
Net cash flow from operations	4.9
Capital expenditure / Development Cost	(6.4)
Free cash flow	(1.5)



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### Strong Balance Sheet

Balance Sheet (S\$ m)	30 Jun 12	31 Dec 11
Shareholders' equity	191.1	196.4
Total borrowings	35.5	20.5
Cash and cash equivalents	42.3	35.5
Net Cash	6.7	15.0

Financial Indicators	30 Jun 12	31 Dec 11
Gross gearing (%)	18.7	10.4
Net asset value per share (S\$ cents)	51.90	53.33

Financial Indicators	30 Jun 12	30 Jun 11
EPS (S\$ cents)	0.13	1.98



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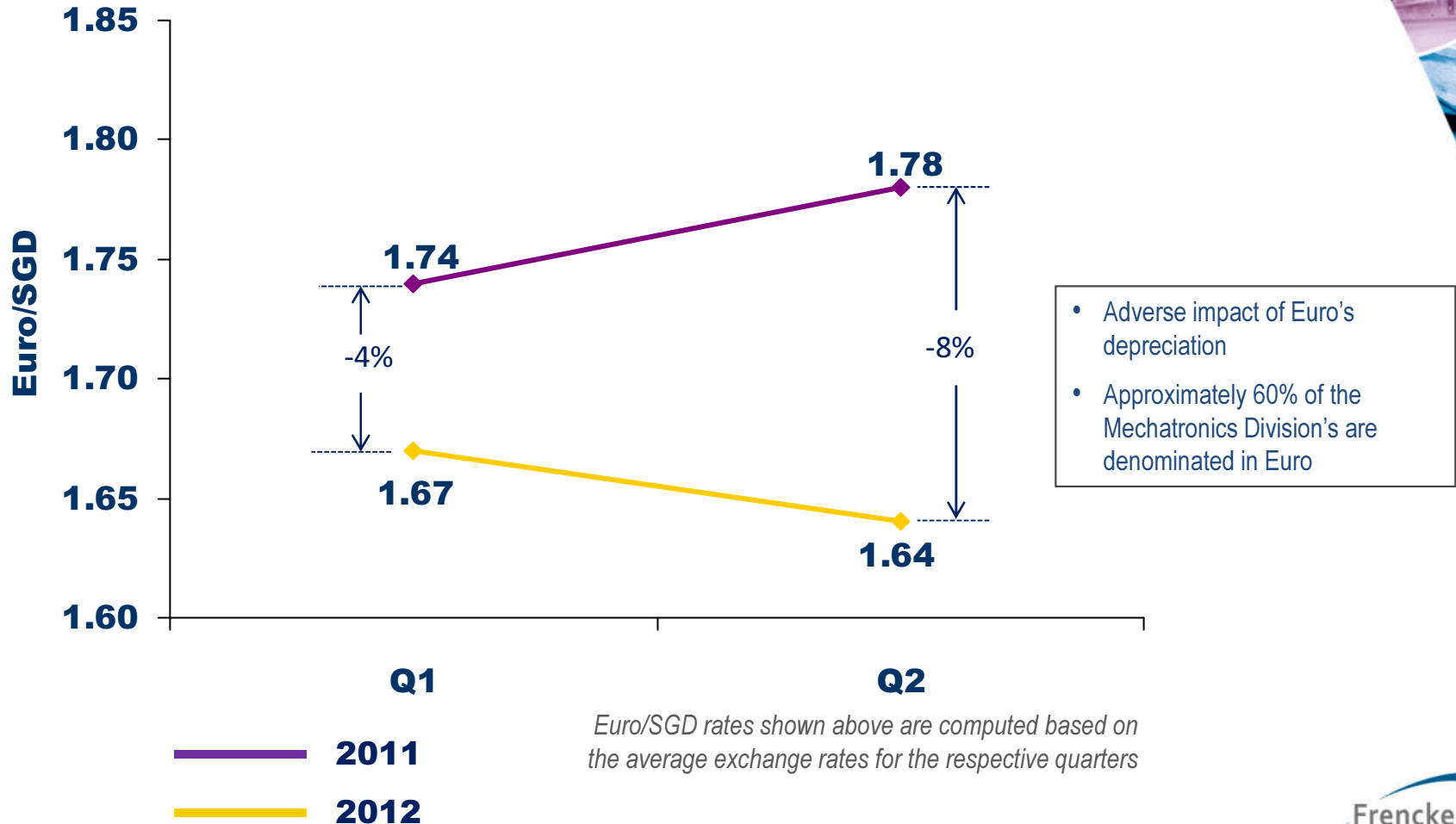
# Mechatronics Division

## Business Review and Outlook

# Mechatronics Division

1H12 Results Presentation

Forex EURO/SGD

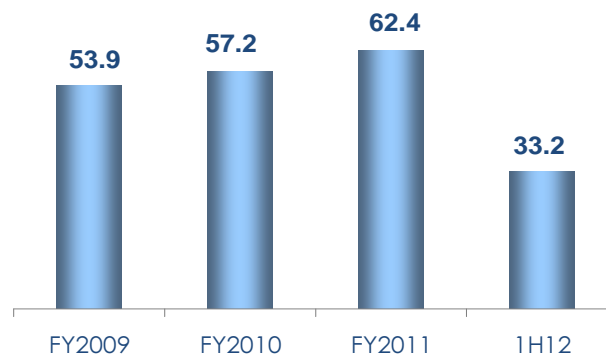


*Euro/SGD rates shown above are computed based on the average exchange rates for the respective quarters*

# Mechatronics Division

## 1H12 Results Presentation

### Sales Analysis – Medical Segment



#### 1H12 Review

Currency: SGD million

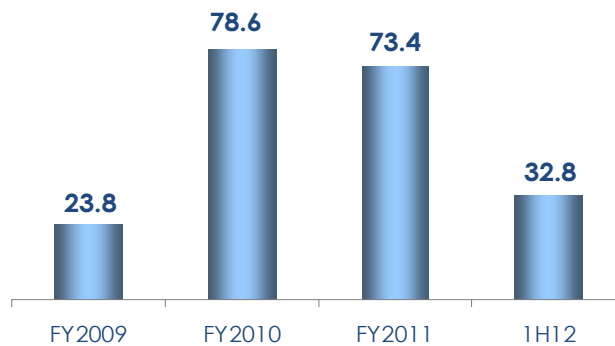
-  up 16%
-  down 2%

- Increased sales in Europe and Asia,
- Segment's total revenue impacted by weakening of Euro

# Mechatronics Division

## 1H12 Results Presentation

### Sales Analysis – Semiconductor Segment



#### 1H12 Review

Currency: SGD million

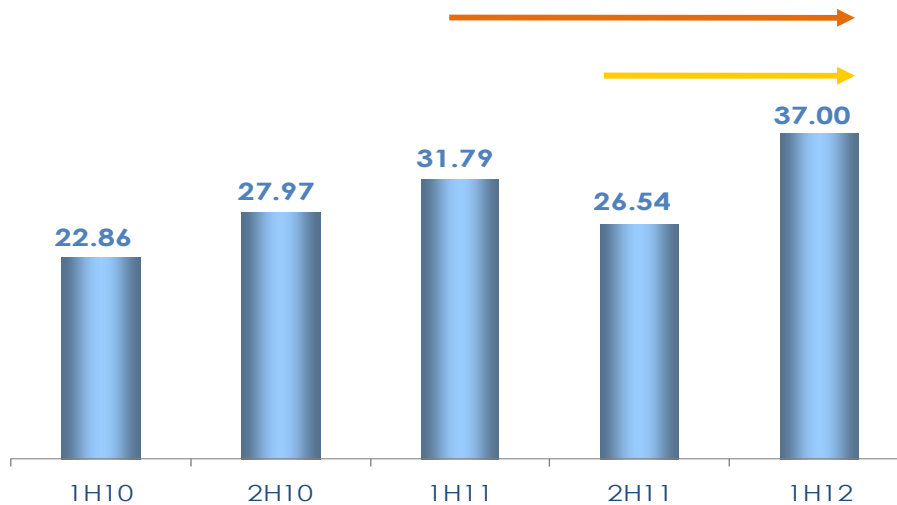
- down 19%
- down 1%

- Sales were affected by the EUR/SGD forex.

# Mechatronics Division

## 1H12 Results Presentation

### Sales Analysis – Analytical Segment



### 1H12 Review

Currency: SGD million

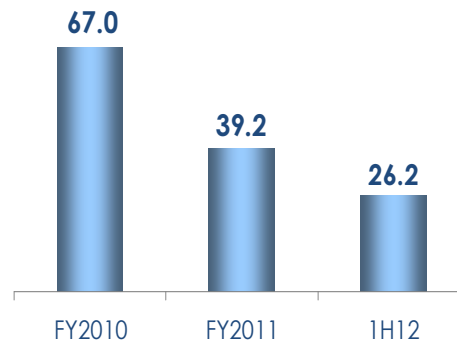
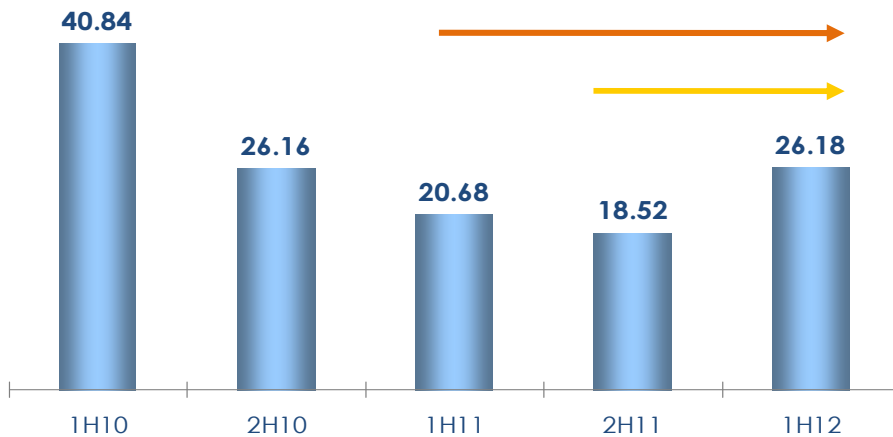
- up 16%
- up 39%

- Boosted by increased sales in Europe & Asia during 1H12
- Segment's total revenue impacted by weakening of Euro

# Mechatronics Division

## 1H12 Results Presentation

### Sales Analysis – Industrial Automation Segment



#### 1H12 Review

Currency: SGD million

-  up 27%
-  up 41%

- Better than expected sales in data storage and pharmaceutical packaging segment
- Sales of this segment remains typically lumpy

# Mechatronics Division

## 1H12 Results Presentation

### Division Outlook

- Despite the uncertain macro economic climate, there is still a steady flow of new enquiries, projects under discussions and industrialisation in the medical, semiconductor and analytical segments.
- Based on current indicative orders, the medical and analytical segments should continue to benefit from steady demand in FY2012.
- Short term softness and volatility is expected in the semiconductor segment.
- Frencken America (formerly US Motion) in the USA continues to attract interest from current and potential new customers.
- Barring any unforeseen circumstances, outlook is one of cautious optimism.





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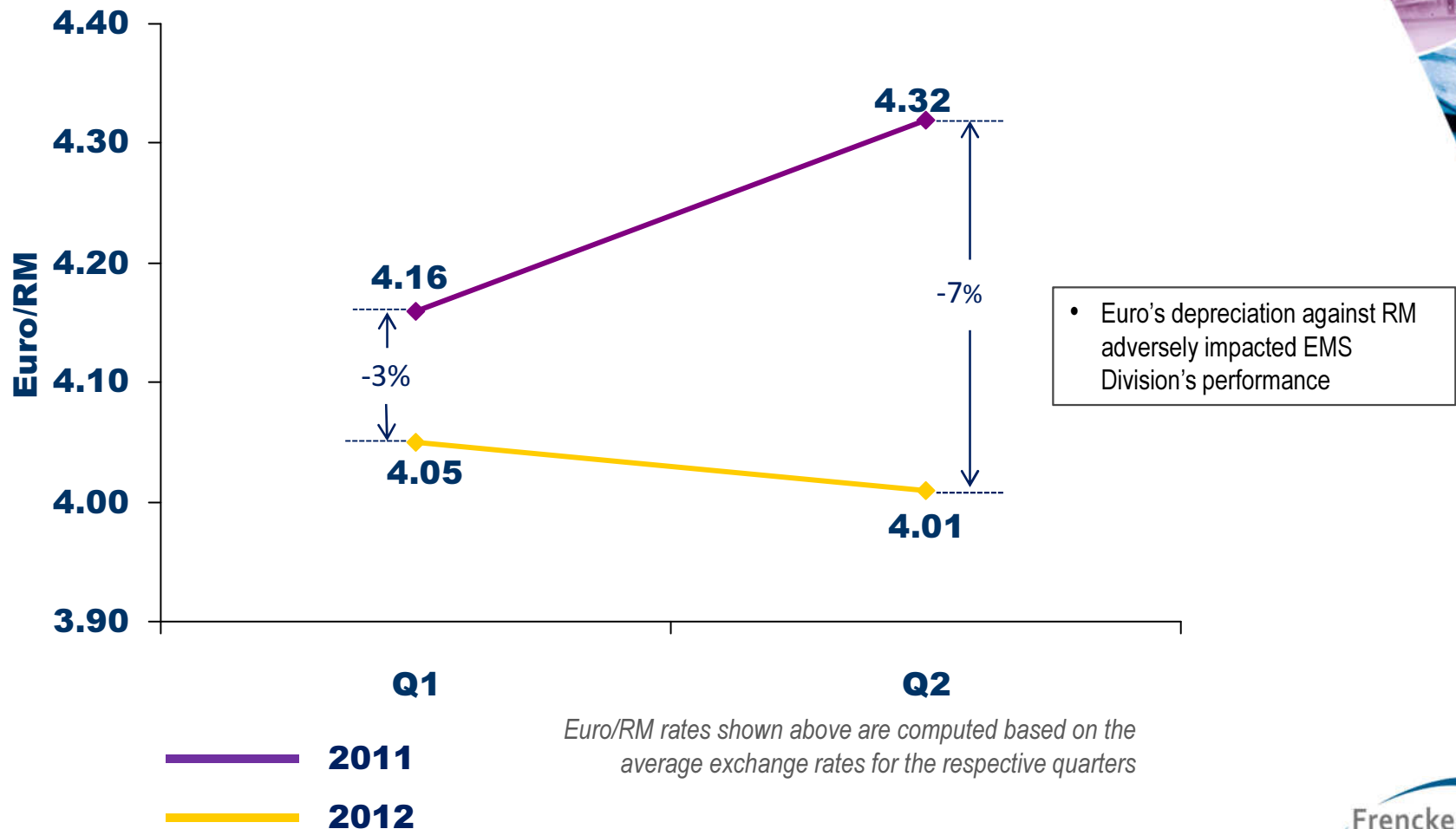
# EMS Division

## Business Review and Outlook

# EMS Division

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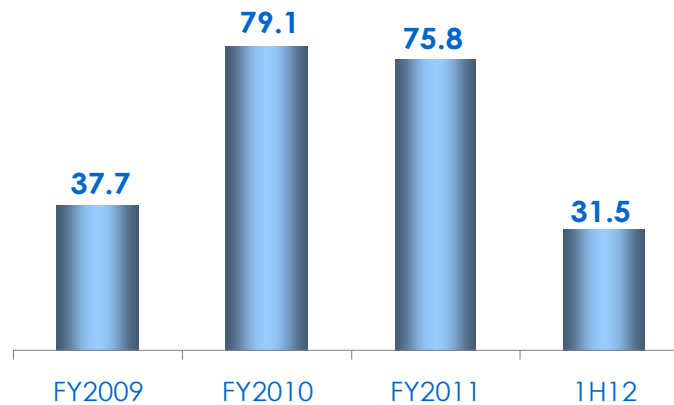
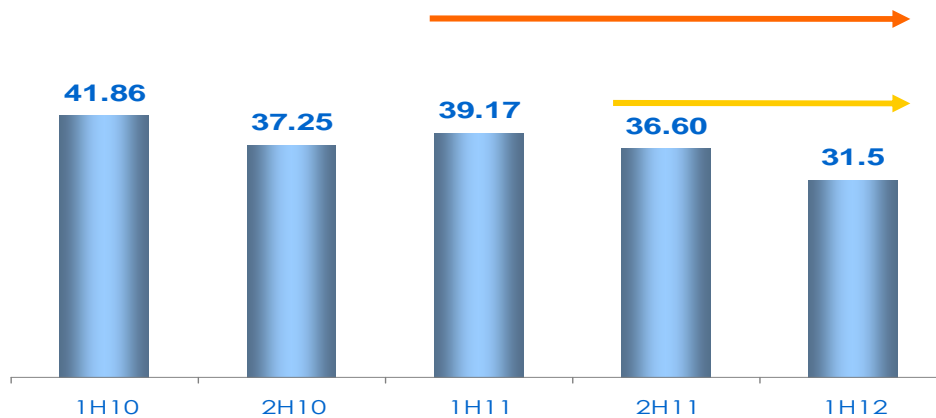
Forex EURO/RM



# EMS Division

## 1H12 Results Presentation

### Sales Analysis – Office Automation Segment



#### 1H12 Review

Currency: RM million

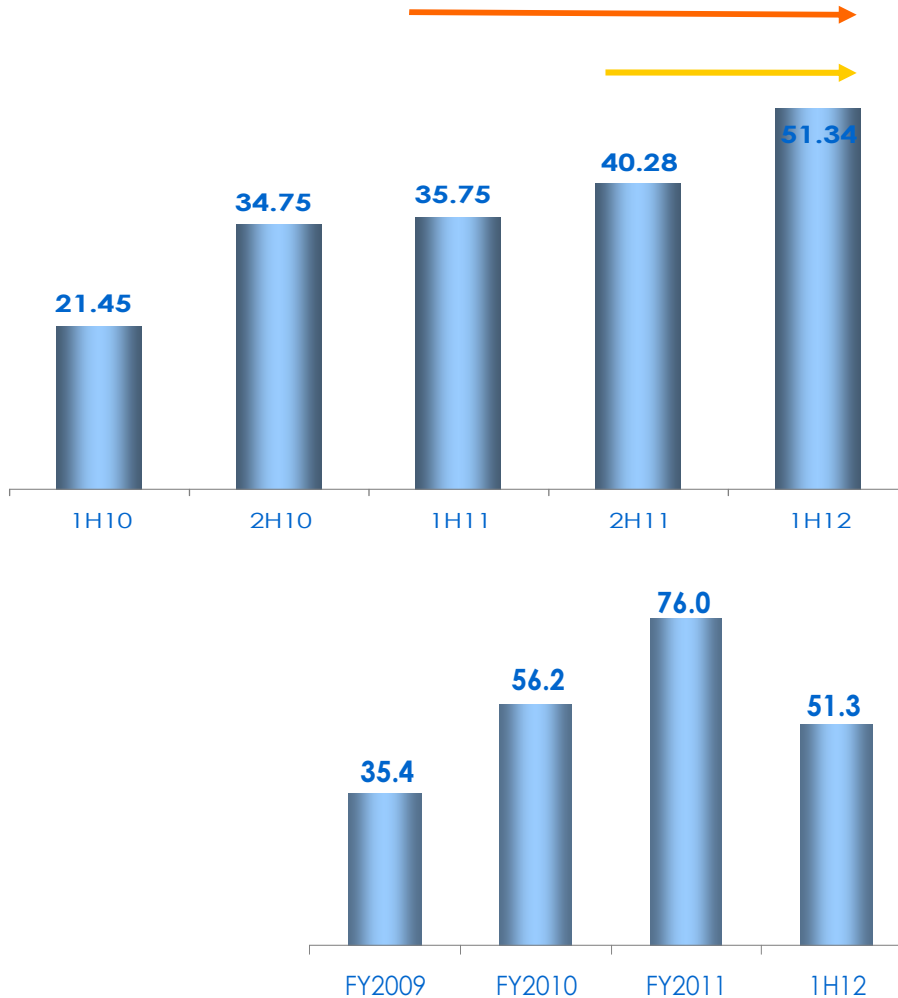
- down 20%
- down 14%

- Affected by the continued delay in the launch of a significant project and softer conditions in the customers' end-markets

# EMS Division

## 1H12 Results Presentation

### Sales Analysis – Automotive Segment



#### 1H12 Review

Currency: RM million

- up 44%
- up 27%

- Significant increase in sales y-o-y and h-o-h despite very unfavourable Euro/RM exchange rate
- Continued ramp up of recently launched project as well as increased sales for existing products
- Continue to face operational challenges during this fast ramp up phase

# EMS Division

1H12 Results Presentation

## Division Outlook

- Based on indicative orders in the automotive segment, demand remains high for current and recently launched products
- Continued delay in the launch of commercial production for a significant project in the office automation segment dampening growth in this business segment
- Unfavourable Euro/RM exchange rate regime continues to be very challenging
- Proposed acquisition of Juken Technology Limited will create a compelling manufacturing partnership for the merged EMS group, enhancing and expanding its service offerings to serve an expanded customer base, particularly in the automotive sector .

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### Safe Harbour For Forward-Looking Statements

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- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in our customers' industries and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

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# Thank You

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