

Company Name : Frontken Corporation Berhad
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Source : New Straits Times

RM5.35 TARGET PRICE

HLIB Research maintains 'buy' recommendation on Frontken

KUALA LUMPUR: Hong Leong Investment Bank Bhd (HLIB Research) has revised upward its financial years 2026 to 2027 earnings forecasts for Frontken Corp Bhd by 6.0 to 11 per cent, mainly to reflect additional interest income from warrant proceeds.

This would partly mitigate earnings dilution from a larger share base, the research firm said.

"We remain positive on Frontken's growth prospects, underpinned by structural semiconductor tailwinds from artificial intelligence-driven demand, the ongoing migration to leading-edge nodes and robust foundry capital expenditure.

"Its solid balance sheet, a net cash of more than RM1.5 billion, will help support expansion

plans in Taiwan, Singapore and the United States," HLIB Research said.


It said Frontken's first-quarter 2026 core net profit of RM41.2 million came in line with expectations, representing

21 per cent of full-year estimates, with growth momentum expected to strengthen on sustained semiconductor demand in Taiwan.

To support the outlook, Frontken has advanced the Taiwan P2 expansion to 2026 and recently completed upgrades to its Singapore facility to prepare for upcoming customer ramp-ups.

HLIB Research maintained its

"buy" recommendation on Frontken while raising its target price to RM5.35 from RM4.50 previously.

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