



[For Immediate Release]

9 May 2024

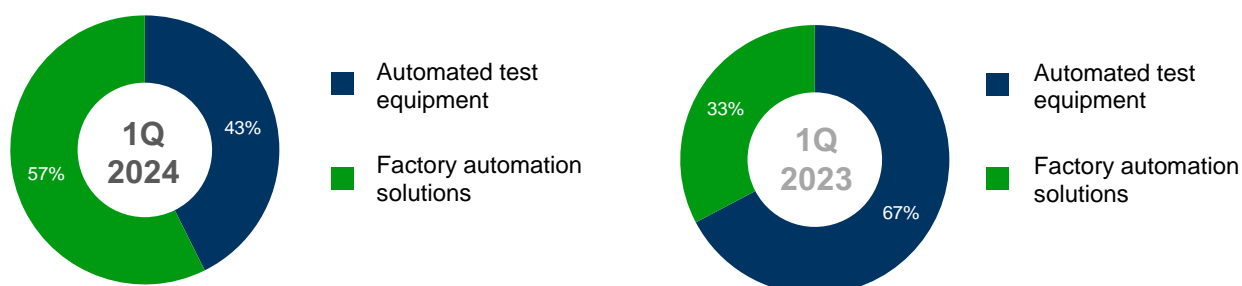
PIL posted 3.3% revenue growth in Quarter 1 2024 amid a weak technology sector environment

Pentamaster International Limited (“PIL” or “the Group”) which is listed under the Main Board of The Stock Exchange of Hong Kong Limited announced its financial results for three months ended 31 March 2024 (“1Q2024”) today. The Group recorded a revenue of MYR170.7 million, marking a 3.3% improvement, while its net profit stood at MYR30.2 million, a drop of 11.9%, as compared to the corresponding period last year due to the increase in staff costs and a higher incurrence of research and development cost in respect of its single-use medical devices in 1Q2024.

Financial highlights

	1Q2024 (Unaudited) MYR in thousands	1Q2023 (Unaudited) MYR in thousands	Change
Revenue	170,730	165,303	+3.3%
Gross profit	49,862	47,422	+5.1%
Profit for the period	30,225	34,323	-11.9%
Earnings per share (sen)			
Basic	1.27	1.44	-11.8%
Diluted	1.27	1.44	-11.8%

Key business unit revenue and trend



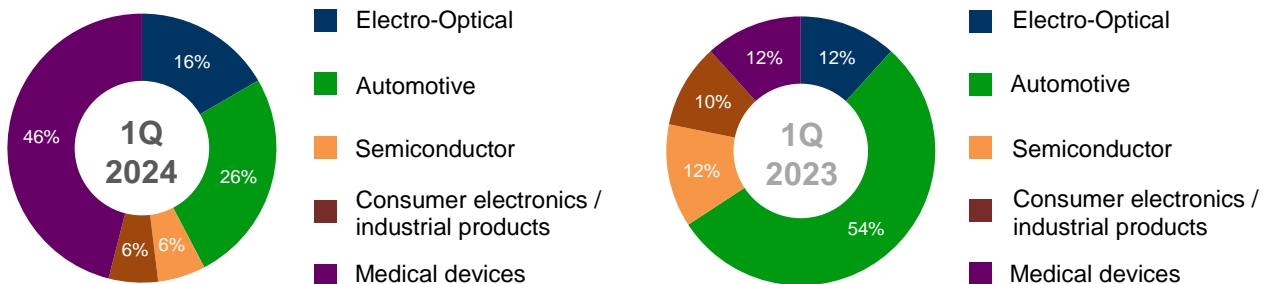
For the three months ended 31 March 2024, the Group’s revenue was contributed by both the ATE and FAS segments, with each constituting approximately 42.7% and 57.3% respectively of the Group’s total revenue for the period.



The below outlined the performance of the respective operating segments, which includes elements of the inter-segment transactions during the quarter.

	1Q2024 (Unaudited) MYR in thousands	1Q2023 (Unaudited) MYR in thousands	Change
<i>Revenue by operating segment</i>			
Automated test equipment			
External customers	72,830	111,212	
Inter-segment revenue	361	195	
	73,191	111,407	-34.3%
Factory automation solutions			
External customers	97,900	54,091	
Inter-segment revenue	850	4,212	
	98,750	58,303	+69.4%

Revenue by customer's segment



	1Q2024 (Unaudited) MYR in thousands	1Q2023 (Unaudited) MYR in thousands	Change
<i>Revenue by customer's segment</i>			
Medical devices	78,547	19,135	+310.5%
Automotive	43,883	90,084	-51.3%
Electro-Optical	28,372	19,197	+47.8%
Consumer and industrial products	10,124	16,568	-38.9%
Semiconductor	9,804	20,319	-51.7%



ATE segment

Revenue from this segment declined by approximately MYR38.2 million from MYR111.4 million in the previous corresponding quarter to MYR73.2 million in 1Q2024 given the turbulence and uncertain recovery of supply chain disruptions besides slower-than-expected demand recovery in the inventory normalisation rate in the reporting quarter. Within the ATE segment, the Group's automotive segment maintained the highest proportion with its revenue contribution of 60.3% in 1Q2024 which was largely driven by demand for the Group's back-end test and assembly solutions from leading global automotive component players. However, revenue from this segment declined by 50.1% as compared to 1Q2023 due to the overall softness in demand within the automotive end market as a result of shifting consumer demands and the lack of transparency surrounding subsidies for the electric vehicle markets globally. On the contrary, the electro-optical industry accounted for 25.3% during 1Q2024, up from 6.6% in 1Q2023, a significant increase of 152.8% for this segment. This surge in revenue was mainly driven by the delivery of the Group's flagship smart sensor test equipment for the upgraded version of the ambient light sensor. Meanwhile, revenue contribution from the semiconductor industry contributed approximately 13.4% within the segment, indicating a moderate decline from 13.8% achieved in 1Q2023.

The industry as a whole experienced economic challenges and uncertainties as the recovery progressed at a slower pace than anticipated. This slowdown prompted manufacturers to exercise greater caution in their capital equipment spending across various sectors and such near-term headwinds directly impacted the revenue downturn within the ATE segment for the quarter. However, the Group remains optimistic about the recovery and prospects of its ATE segment attributed to the Group's diversified portfolio. This optimism is underpinned by the long term structural trends of automotive electrification, the growing influence of artificial intelligence, the expanding Internet of Things landscape and the evolving trends in opto-electronic devices. These trends are expected to provide substantial support and opportunities for growth within the ATE segment in the coming periods.



FAS segment

After achieving double-digit growth for four consecutive years since 2020, this quarter marked a significant milestone for the FAS segment as its revenue surpassed the revenue of the ATE segment for the first time in the Group's history. In 1Q2024, revenue from the FAS segment continued its impressive revenue growth trajectory with the increase of 69.4% to MYR98.8 million as compared to MYR58.3 million in 1Q2023, setting yet another record quarterly revenue for the FAS segment. This exceptional performance of the FAS segment was driven by the stellar growth of its medical devices segment which experienced a remarkable increase in its contribution rate from 35.4% in 1Q2023 to 80.2% in 1Q2024, representing an exponential growth of 310.5% within the segment.

The prominence of the medical devices segment is particularly noteworthy from the sustained demand and the significant growth potential for this segment. This potential is fuelled by technological advancements and prevailing trends in healthcare manufacturing that prioritise automation and innovation to achieve consistency, efficiency, precision and productivity in its production and operations. The Group has been expanding its customer base globally within this segment and actively seeking new opportunities to capture a larger market share. In 1Q2024, other industry segments contributing to the FAS segment were electro-optical segment and consumer and industrial products segment with each contributing approximately 10.1% and 9.6% respectively.

Outlook

With persistent inflationary pressure, geopolitical tension, government policies ambiguity and supply chain disruption, the Group entered 2024 cautiously with sustainability being its strategic priority underpinned by its three approaches of product diversification, geographical diversification and segment diversification. While the Group witnessed some degree of contraction in its current order book for the quarter, the Group, nevertheless, is optimistic in the second half of the year with some positive tailwinds appearing, especially in the new compound and high-performance semiconductor devices that are required in generative artificial intelligence, data centers and automotive segments. As it is, the medical devices segment still forms the largest share in the Group's current order book and the revenue momentum, followed by contributions from the automotive segment, owing to the Group's diversification strategy.

Simultaneously, the Group will also be focusing its resources on product development and talent upskilling in facing the start of a new cyclical upswing in the current technology market centering on artificial intelligence, automotive and medical devices. The Group remained steadfast in directing its investments towards strategic areas such as research and development, system infrastructure and manufacturing capacity in anchoring its foundation towards tapping these upcoming growth opportunities and solidifying the Group's competitive edge in the market. While maintaining a keen eye on its current cost structure, the Group will continue to implement targeted cost control measures with efforts to maintain a skilled and stable workforce in navigating these economic challenges and fostering innovation.



About Pentamaster International Limited

PIL (HKEX stock code: 1665) is a leading global supplier in providing automation technology and solutions to multinational manufacturers mainly in the semiconductor, automotive, electrical & electronics, medical devices and consumer industrial products sectors spanning APAC, North America and Europe. The Group's broad range of integrated automation products and solutions entails innovating, designing, manufacturing and installing automated equipment and/or automated manufacturing solutions.

To learn more about PIL, please visit us at www.pentamaster.com.my.

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