



[For Immediate Release]

11 August 2022

PIL announces 2022 interim results with another record-breaking quarterly revenue

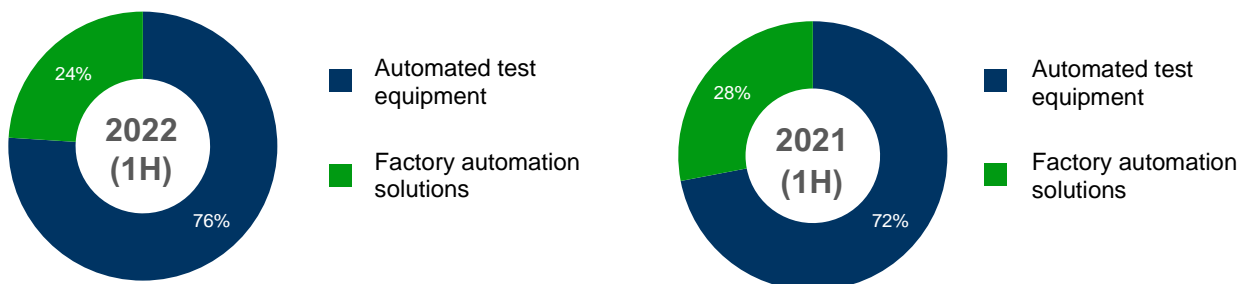
Pentamaster International Limited (“PIL” or “the Group”) which is listed under the Main Board of The Stock Exchange of Hong Kong Limited announced its interim results for the six months period ended 30 June 2022 (“1H2022”) today. The Group recorded a revenue of MYR297.3 million with its net profit stood at MYR64.3 million, showing an improvement of approximately 21.1% and 15.4% respectively from the corresponding period last year.

Financial highlights

	1H2022 (Unaudited) MYR in thousands	1H2021 (Unaudited) MYR in thousands	Change
Revenue	297,333	245,610	+21.1%
Gross profit	91,552	73,241	+25.0%
Profit for the period	64,286	55,683	+15.4%
Earnings per share (sen)			
Basic	2.69	2.32*	+15.9%
Diluted	2.69	2.32*	+15.9%

* Restated for the bonus issue effected in 2021

Key business unit revenue and trend



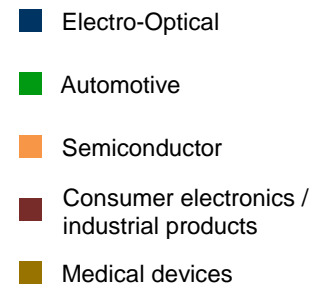
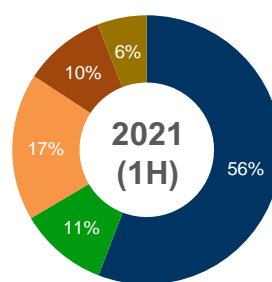
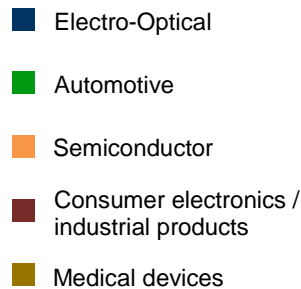
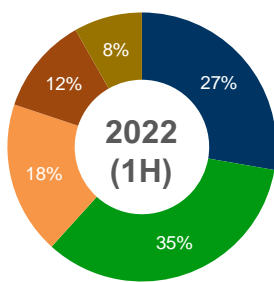
For the six months ended 30 June 2022, the Group’s revenue was contributed by both the ATE and FAS segments, with each constituting approximately 75.5% and 24.5% respectively of the Group’s total revenue in the current period.



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

	1H2022 (Unaudited) MYR in thousands	1H2021 (Unaudited) MYR in thousands	Change
Revenue by operating segment			
Automated test equipment			
External customers	224,346	176,770	
Inter-segment revenue	39,810	875	
	264,156	177,645	+48.7%
Factory automation solutions			
External customers	72,987	68,840	
Inter-segment revenue	3,267	1,913	
	76,254	70,753	+7.8%

Revenue by customer's segment



	1H2022 (Unaudited) MYR in thousands	1H2021 (Unaudited) MYR in thousands	Change
Revenue by customer's segment			
Automotive	103,008	25,930	+297.3%
Electro-Optical	81,642	138,243	-40.9%
Semiconductor	54,155	43,057	+25.8%
Consumer and industrial products	34,353	23,977	+43.3%
Medical devices	24,175	14,403	+67.8%



ATE segment

The ATE segment continued to contribute the larger portion of revenue and profit to the Group's results for the first half of 2022 at a revenue contribution rate of 75.5%. After witnessing an increase in revenue in 2021, this segment continued to record a substantial growth in revenue by 48.7% from MYR177.6 million to MYR264.2 million in 1H2022 as compared to the corresponding period in 2021. Riding on the global momentum for automotive electrification, the automotive industry continued to dominate the ATE segment with its revenue contribution of approximately 44.6%, a phenomenon witnessed since beginning of 2022. Influenced predominantly by the mass adoption of electric vehicle, the automotive market continued to be a standout. The Group benefitted by this structural shift with its automotive test solutions that covers front-end tester for new compound substrate such as silicon carbide ("SiC") and gallium nitride ("GaN") to back end solutions for power electronics devices such as IGBT (insulated-gate bipolar transistor) and power MOSFET (metal-oxide-semiconductor field-effect transistor). Generally, the automotive sector will continue to play a significant role in fuelling the growth of the Group's ATE segment. With the extensive applications of SiC and GaN coupled with China joining the bandwagon in building the supply chain revolving around SiC, such proliferation and development will continue to provide impetus to the Group's exposure in the automotive industry.

Revenue contribution from the electro-optical industry came in as the second highest within the ATE segment with its contribution rate of 26.7% while the semiconductor industry contributed approximately 24.0% to the ATE segment of the Group. In 1H2022, while revenue from the electro-optical segment mainly derived from the module upgrade of the Group's existing smart device test solutions, the Group is working on certain prototype projects for new sensors application in the next-generation smartphone and its peripherals. On the other hand, the semiconductor industry is cyclical and trends of inventory building and correction are part of the cycle. While some inventory correction is taking place, the industry backdrop suggests some signs of growth tailwinds driven by the increasing semiconductor content in multiple industries and the evolvement of conventional chip to intelligent chip with more complexity and functionality. Against this backdrop, the Group is well positioned to embrace the new opportunities presented in the ATE segment.

FAS segment

After experiencing a drop in revenue in the first quarter of 2022, the FAS segment recorded a double-digit revenue growth at 20.5% during the second quarter of 2022 as compared to the corresponding quarter in 2021. Consequently, the overall revenue from the FAS segment in 1H2022 increased by approximately 7.8% to MYR76.3 million from MYR70.8 million in 1H2021. Notably, the FAS segment gained its revenue momentum from the consumer and industrial products segment which was dominating the FAS segment with its contribution rate of 46.2% in 1H2022. In terms of its revenue growth, the consumer and industrial products segment grew substantially by 63.1% in 1H2022 as compared to 1H2021. Revenue contribution from the electro-optical segment and medical devices segment each contributed 29.8% and 19.4% respectively to the FAS segment.

Generally, the demand for the Group's proprietary i-ARMS (intelligent Automated Robotic Manufacturing System) across various segments has positively contributed to the FAS segment in a sustainable manner. With the growing emphasis on industrial automation and smart manufacturing combined with digital transformation and the growth of data analytics, such trend and revolution which are crowned as the backbone of Industry 4.0, are seen being adopted across many businesses in a massive way. Adding further to the pressure are factors such as the shortage



of skilled labour, rising wage costs and stringent health and safety requirements, many manufacturing facilities and operations have stepped up its effort in shifting towards factory automation for speed, flexibility, efficiency, productivity and precision.

Outlook

Like many others in the industry, the Group faced multiple challenges post COVID-19 pandemic and with the current geopolitical tensions and inflationary situation, the supply chain operation has been a key factor in the Group's operation. The Group acknowledges the importance of being vigilant and reactive in its supply chain planning to ensure agility in this highly evolving situation. While the supply chain state of affairs has improved somewhat versus two years ago, the Group is fortunate that it has the ability to adapt to its inventory stock up approach on the back of its strong level of operating cash built over the years.

As the Group embraces the second half of 2022, the Group believes it is entering a period of encouraging growth on the back of its strong order fulfilment in tandem with its key segments focus that is largely driven by the wave of the underlying major global trends. The Group continues to witness such structural shift in the rapid adoption of technology and intelligence across different segments in the global industries. Ranging from automotive and communication to industrial and consumer electronic markets, the ubiquity of semiconductors and fast intelligence microprocessors coupled with the application of optics and photonics have provided the Group the optimism for its sustainable long term prospects.

The Group remains steadfast in its focus in diversifying its geographical presence, products and solutions as well as across different business segments in keeping with its high growth and margin over the long term horizon. Case in point – the Group's rapid transition to the automotive segment saw growing revenue and encouraging order book volume where such momentum was generally fuelled by the emergence of electric vehicles, whose influence extends far beyond the automotive industry. This evolution, along with other development such as self-driving technologies entails huge opportunity for the Group. Following this trend and given the Group's comprehensive product portfolio within the segment that covers end to end solutions, the Group is ready to reinforce its growth path in the automotive industry.

As part of the Group's geographical diversification approach, the initiation and commitment in establishing its presence outside of Malaysia are a testament of having a deep and strong foothold expansion in key region that serves as important key markets for its business segments. The recent establishment of Pentamaster Technology (Jiangsu) Limited and Pentamaster Automation (Japan) Co., Ltd, have since led to revenue from China and Japan showing signs of growing traction. Currently, both China and Japan are in the Group's top five markets. As it is, the Group has set its eyes on Germany for its next geographical expansion with Germany being a main market in automotive industry. By next year, Indonesia and the Middle East will be the Group's next target for its factory automation and single use medical devices, respectively.

In the immediate term, besides the supply chain operation, the Group's current important focus is to build and maintain a stable workforce while retaining key talent. The Group acknowledged that the ongoing talent shortage would worsen with the establishment of multinational companies in Malaysia and the operation expansion of existing semiconductor players in the market. It is therefore imperative for the Group to evaluate its current workforce's needs in meeting its business objectives and strategies. This evaluation, which includes constructing a career development road map for career progression and reskilling the workforce to stay competitive besides making adjustments to the remuneration package, are of importance for the Group in its growth trajectory.

Overall, the Group is optimistic on achieving another record year in 2022, while mindful of the current headwinds in derailing its delivery order on hand according to the scheduled timeline. Over the long run, the Group's growth initiatives are guided by its "Grand Roadmap & Key Focus 2022-2025", which aims towards achieving a solid and sustainable business growth through the



implementation of its various core strategies that includes product innovation, expansion and diversification, segmental and geographical diversification, supply chain ecosystem development as well as capacity and capabilities building.

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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