



[For Immediate Release]

11 May 2023

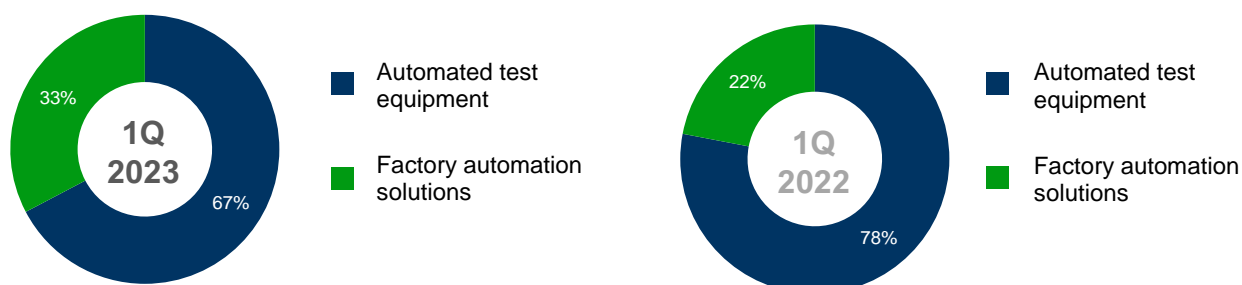
## PIL posted 13.2% growth in Revenue for Quarter 1 2023, despite challenging macro environment

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 2023 (“1Q2023”) today. The Group hit a new record in its quarterly revenue, registering at MYR165.3 million, whilst its net profit stood at MYR34.3 million in the current quarter; marking an improvement of approximately 13.2% and 3.5% respectively from the corresponding period last year.

### Financial highlights

	1Q2023 (Unaudited) MYR in thousands	1Q2022 (Unaudited) MYR in thousands	Change
<i>Revenue</i>	165,303	145,990	+13.2%
<i>Gross profit</i>	47,422	44,465	+6.7%
<i>Profit for the period</i>	34,323	33,174	+3.5%
<i>Earnings per share (sen)</i>			
<i>Basic</i>	1.44	1.39	+3.6%
<i>Diluted</i>	1.44	1.39	+3.6%

### Key business unit revenue and trend



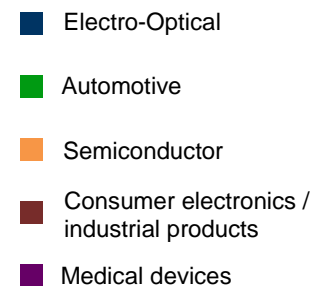
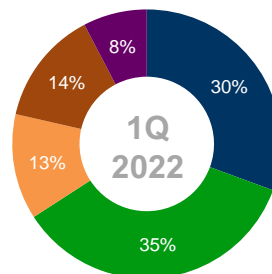
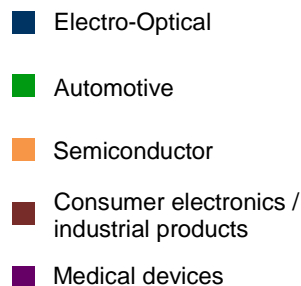
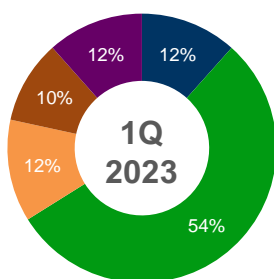
For the three months ended 31 March 2023, the Group’s revenue was contributed by both the ATE and FAS segments, with each constituting approximately 67.3% and 32.7% respectively of the Group’s total revenue for the period.



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

	1Q2023 (Unaudited) MYR in thousands	1Q2022 (Unaudited) MYR in thousands	Change
<i>Revenue by operating segment</i>			
<b>Automated test equipment</b>			
External customers	111,212	114,390	
Inter-segment revenue	195	167	
	<b>111,407</b>	<b>114,557</b>	-2.7%
<b>Factory automation solutions</b>			
External customers	54,091	31,600	
Inter-segment revenue	4,212	310	
	<b>58,303</b>	<b>31,910</b>	+82.7%

#### Revenue by customer's segment



	1Q2023 (Unaudited) MYR in thousands	1Q2022 (Unaudited) MYR in thousands	Change
<i>Revenue by customer's segment</i>			
Automotive	90,084	52,433	+71.8%
Semiconductor	20,319	18,351	+10.7%
Electro-Optical	19,197	44,228	-56.6%
Medical devices	19,135	11,089	+72.6%
Consumer and industrial products	16,568	19,889	-16.7%



## **ATE segment**

Revenue from this segment declined slightly by approximately MYR3.2 million from MYR114.6 million in the previous corresponding quarter to MYR111.4 million in 1Q2023. The slight contraction in revenue was mainly due to the timing of project delivery which did not take place as scheduled in the current period. Within the ATE segment, the Group's automotive segment continued to have the highest proportion with its revenue contribution rate of 79.1% in 1Q2023 as compared to 45.2% in 1Q2022, which represented a growth of 71.8%. With the structural electrification trend worldwide and the various automotive-related measures in place as part of the decarbonisation initiatives in boosting the sales of electric vehicle, such strength in the automotive segment complements the Group's full range of test and assembly solutions catering for a wide array of automotive component manufacturers globally, ranging from front-end to back-end.

The semiconductor industry contributed 13.8% towards the ATE segment during the period, a moderate decline from 16.1% in 1Q2022. Amid the macroeconomic headwinds from the global semiconductor downturn and geopolitical factors, demand for the Group's test handling equipment from this industry segment remains cyclical in nature. Meanwhile, revenue contribution from the electro-optical industry continued to indicate signs of contraction from its revenue contribution of 29.5% in 1Q2022 to 6.6% in 1Q2023. The low contribution rate from this industry segment was mainly due to the ongoing sluggishness in the global smartphone market and demand for the Group's test solutions were mainly centred on tester upgrades and its ancillary parts in 1Q2023.

Overall, the ATE segment will continue to contribute the larger portion of the Group's revenue albeit at a lower quantum of dominance which is in line with the Group's ongoing effort in driving segmental diversification. The automotive segment remains the bright spot in spearheading the overall growth momentum of the ATE segment and against this backdrop, the Group is well positioned to capture the ongoing opportunity owing to its wide array of highly customised test solutions for this segment.



## **FAS segment**

After registering growth for the past three quarters consecutively in 2022, revenue from the FAS segment in 1Q2023 continued to grow at an astounding rate of 82.7% to MYR58.3 million as compared to MYR31.9 million recorded in the previous corresponding period. Notably, the FAS segment gained its revenue momentum from the medical devices segment with its leading dominance of 35.4% as compared against its revenue contribution of 3.3% in 1Q2022, chalking an exponential growth from a low base within the segment. This was followed by other business segments such as the consumer and industrial products segment and electro-optical segment with its respective revenue contribution of 29.5% and 22.0% within the FAS business unit.

Generally across the industry segments, the demand for the Group's proprietary i-ARMS (intelligent Automated Robotic Manufacturing system) has positively contributed towards the FAS segment driven mainly by the massive adoption of automation in the current post-pandemic environment in achieving efficiency and productivity. With the opportunity presented from the emergence of digital technologies, the FAS segment will continue to grow based on the current order book momentum.

## **Outlook**

The Group entered 2023 with a sizeable order book on hand and it expects majority of its order to be fulfilled and delivered during the year. Within the order book momentum, the Group continues to see strength in the automotive and medical devices segment, benefitting mainly from the intensifying trends in automotive electrification and the prevalent application of automation in medical manufacturing activities. On the other hand, demand from the electro-optical segment continues to be modest from the ongoing subdued volumes for smartphones given the lack of new smart sensors' development and the impact on consumer spending for such hardware upgrades. Both the semiconductor and consumer and industrial products segment sees a trend of modest growth and the Group expects the revenue proportion from these segments to remain consistent as the previous year.

While the overall economic outlook will remain uncertain with the ongoing battle with inflation and growing commodity pressures, the Group remains committed in upholding its three pillars of growth strategies which includes product diversification, segmental diversification and geographical diversification. With the recent establishment of a wholly foreign-owned limited liability company in Germany as part of the Group's expansion initiatives to further broaden its geographical footprint outside of Malaysia, the Group will continue to build its internal capabilities and expand its revenue stream in an ever evolving situation. While 2023 is set to be just as challenging as 2022, heightened vigilance and resilience are required in the coming quarters as the Group continues to seize business opportunities from the structural megatrends and emerging developments in the technological space, and the Group will remain steadfast and focused on its core competencies for a sustainable growth in the near future.



## **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](http://www.pentamaster.com.my).

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