



[For Immediate Release]

25 February 2025

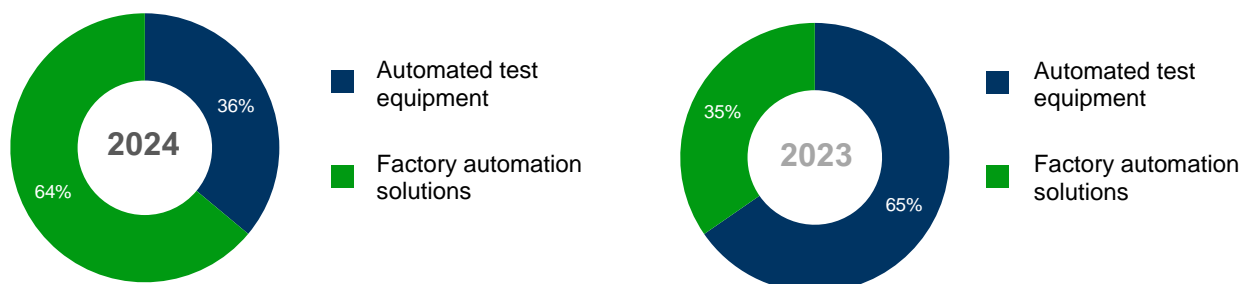
FAS segment powers growth and re-shaping PIL's business structure; ATE continues to face headwinds

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 the year ended 31 December 2024 today. The Group recorded a revenue of MYR622.4 million with its net profit stood at MYR107.1 million, a decrease of approximately 10.0% and 24.7% respectively from the corresponding period last year.

Financial highlights

	2024 MYR in thousands	2023 MYR in thousands	Change
<i>Revenue</i>	622,433	691,850	-10.0%
<i>Gross profit</i>	179,913	209,644	-14.2%
<i>Profit for the year</i>	107,128	142,233	-24.7%
<i>Earnings per share (sen)</i>			
<i>Basic</i>	4.51	5.97	-24.5%
<i>Diluted</i>	4.51	5.96	-24.3%

Key business unit revenue and trend



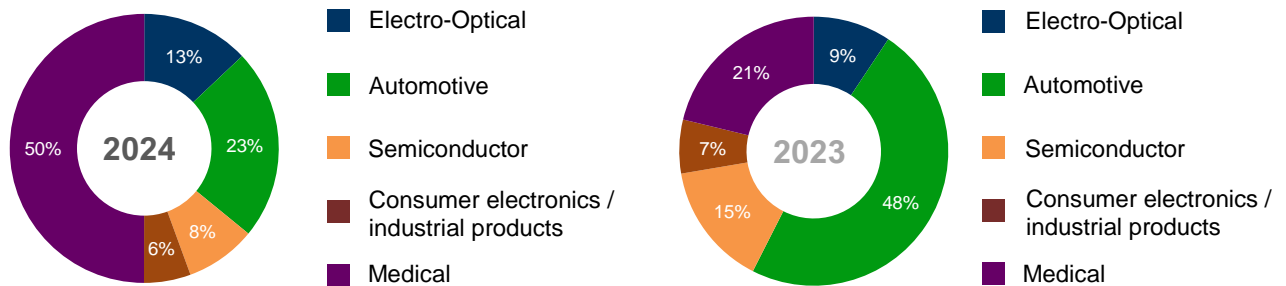
For the year ended 31 December 2024, the Group's revenue was contributed by both the ATE and FAS segments, with each constituting approximately 36.1% and 63.9% respectively of the Group's total revenue in the current year.



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

	2024 <i>MYR in thousands</i>	2023 <i>MYR in thousands</i>	<i>Change</i>
<i>Revenue by operating segment</i>			
<i>Automated test equipment</i>			
<i>External customers</i>	224,390	452,254	-50.4%
<i>Inter-segment revenue</i>	9,929	538	
	234,319	452,792	
<i>Factory automation solutions</i>			
<i>External customers</i>	398,043	239,596	+66.1%
<i>Inter-segment revenue</i>	7,328	15,943	
	405,371	255,539	

Revenue by customer's segment



	2024 <i>MYR in thousands</i>	2023 <i>MYR in thousands</i>	<i>Change</i>
<i>Revenue by customer's segment</i>			
<i>Medical</i>	311,013	148,197	+109.9%
<i>Automotive</i>	142,828	329,392	-56.6%
<i>Electro-Optical</i>	80,703	65,315	+23.6%
<i>Semiconductor</i>	52,923	103,794	-49.0%
<i>Consumer and industrial products</i>	34,966	45,152	-22.6%



ATE segment

In 2024, the Group's ATE segment experienced a 50.4% year-on-year decline, with revenue dropping from MYR452.3 million in 2023 to MYR224.4 million. This contraction was largely driven by a slowdown in the semiconductor – automotive sector. The automotive segment, which accounted for 59.3% of the ATE segment's revenue in 2024, witnessed a sharp 59.0% decline in 2024 that has significantly impacted the overall performance of the ATE segment. While sales of electric cars are increasing globally, they remain significantly concentrated in just a few major markets. According to the International Energy Agency (IEA), in 2023, nearly 60.0% of new electric car registrations were in China, around 25.0% in Europe and 10.0% in the United States – corresponding to nearly 95.0% of global electric car sales combined. While the long-term growth outlook for electric vehicle (“EV”) adoption remains strong, the short to near-term softness has resulted in a more cautious industry-wide investment approach. However, the Group remains committed to supporting its automotive customers, leveraging its comprehensiveness in a wide-ranging testing solutions to address the industry's evolving needs. As market conditions stabilise and policy clarity improves, the automotive and EV segments are expected to rebound, setting the stage for renewed growth in the ATE segment.

The Group's semiconductor segment accounted for approximately 15.8% of the ATE segment's revenue in 2024, down from 21.7% in the previous year, reflecting broader industry challenges. The semiconductor sector remained highly cyclical and the current downturn was driven by weaker-than-expected demand recovery in key markets like consumer electronics and automotive.

On the contrary, after two consecutive years of contraction, the electro optical segment within the ATE segment rebounded strongly in 2024, with revenue growth climbing to 24.1% in 2024, a significant increase from 6.4% in 2023 which was a commendable double-digit increase of 87.5%. This strong recovery was primarily driven by increased demand for the Group's flagship smart sensor test equipment, spurred by the adoption of upgraded ambient light sensors and other new sensors in smartphones and other consumer devices. With advanced optoelectronic features becoming more prevalent, the Group is strategically positioned to leverage this growing momentum.

Despite the challenges faced in 2024, the Group remains steadfast in its commitment to industry leadership and staying ahead in a competitive landscape. While macroeconomic pressures and sector-specific headwinds impacted the ATE segment, the increasing need for more customised and sophisticated test handling equipment and solutions provide encouraging signs for recovery and future growth within the segment, particularly in the advancement of complex test and assembly equipment catering to the artificial intelligence (“AI”) market.



FAS segment

The FAS segment has shown continuous double-digit growth in the last four years. During the year under review, this segment has emerged as the Group's primary revenue driver with a contribution rate of 63.9% to the Group's total revenue. Revenue from the FAS segment grew by 66.1% to record MYR398.0 million in 2024, from MYR239.6 million in 2023. This remarkable growth set a new record and further solidified the segment's contribution to the Group's overall performance.

The growth momentum of the FAS segment was generally propelled by the strong demand for the Group's proprietary fully automated i-ARMS (intelligent Automated Robotic Manufacturing System), particularly in the medical industry segment which continued to be the leading contributor within the FAS segment with its share of revenue expanded to 78.1% from 61.9% last year. Besides the medical segment, demand for the Group's i-ARMS solutions from the consumer and industrial products segment and electro-optical segment contributed 8.3% and 6.7% respectively to the FAS business segment during the year.

Driven by technological advancements and the growing adoption of industrial automation across multiple sectors with the global trend of onshoring, the FAS segment is poised to continue its upward trajectory, reinforcing its role as a key driver of the Group's long-term growth and sustained business strategy.



Outlook

“In the middle of every difficulty lies opportunity”

The Group anticipates that many of the trends and global economic conditions observed in 2024 will persist into 2025, given the delicate interplay of multiple macroeconomic factors, including inflation, interest rate policies, geopolitical tensions and supply chain disruptions. While some economies are expected to experience a moderate recovery as inflation stabilises and central banks adopt more accommodative monetary policies, significant uncertainties remain. In particular, the renewed Trump administration is likely to introduce heightened volatility, especially in sectors sensitive to trade and the global supply chain. Despite these uncertainties, a Trump presidency is expected to present both economic opportunities and challenges. The Group remains focused and well-positioned to capitalise on emerging opportunities in high-growth segments, driven mainly by advancements in AI, automotive electrification and medical manufacturing automation. Notably, the medical segment continues to represent the largest share of the Group’s current order book, followed by the automotive and semiconductor sectors. While the medical segment is expected to continue its momentum in 2025, the Group is also seeing signs of increased demand in both the automotive and semiconductor industries.

The Group is encouraged by the upward trajectory of its FAS segment in recent years and the Group is optimistic about the continued growth of its FAS segment, driven by the increasing adoption of manufacturing automation across various industries. In particular, the medical sector is experiencing a significant shift towards automation fuelled by the rising demand for precision, consistency and regulatory compliance in medical device production and pharmaceutical manufacturing. This trend is accelerated by advancements in robotics, AI and smart manufacturing technologies which will enhance efficiency and ensure high-quality standards. Additionally, the push for automation is further reinforced by the growing need for scalable production to meet evolving industry demands. Recognising this transformative shift and by leveraging the expertise and innovation-driven approach, the Group is well-positioned to capitalise on the expanding role of automation in the medical industry field.

Besides the medical sector, the Group has also observed a growing trend in the integration of automation within the renewable energy sector, particularly in solar energy. Solar manufacturers are increasingly leveraging advanced automation technologies to enhance production efficiency and scale up manufacturing capacity. In alignment with these advancements, the Group has been securing orders from solar energy manufacturers and remains committed to supporting the industry’s transition towards automated solutions. By providing its FAS offerings tailored to solar production and energy management, the Group aims to contribute to the broader adoption of renewable energy worldwide.



With the Group's comprehensive and cutting-edge portfolio of automotive test solutions, the Group continues to actively engage with its customers in the semiconductor – automotive sector. With offerings such as front-end wafer burn-in solutions for silicon carbide ("SiC") and the latest addition of the Known Good Die (KGD) testing solution for SiC Die-Level Testing coupled with wafer reconstruct capability, the Group is strategically positioned to support the industry's transition towards high-performance semiconductors which are critical for meeting the stringent quality and reliability standards of automotive applications. Beyond the automotive sector, data centres that cater for the AI needs are increasingly integrating SiC-based power solutions to enhance power management, reduce energy losses and improve overall operational efficiency given the uniqueness of SiC compound that offers superior efficiency, thermal performance and reliability. Similarly, the rising demand for high-bandwidth memory (HBM) chipsets is also driving the adoption of SiC solutions which enable higher power densities essential for next-generation computing and AI-driven applications. Capitalising on these industry trends, the Group continues to expand its front-end wafer solutions to include advanced wafer Automated Optical Inspection (AOI) system to reinforce its commitment to innovation and strengthening its position in high-growth sectors.

As industry shifts towards high-performance semiconductors, not only is SiC adoption accelerating across various sectors, but advanced packaging is also gaining traction as a critical component of next-generation electronics. In line with this trend, advanced packaging is one of the Group's most promising growth areas. The Group has systematically prioritised R&D resources and capacity investments to begin its strategic venture into the advanced packaging area, focusing on cutting-edge technology testing for 2.5D substrates. This move is part of the Group's ongoing efforts to diversify its product offerings and tap into the growing demand for sophisticated semiconductor packaging technologies across various high-performance sectors. Advanced packaging, especially 2.5D and 3D substrates, is critical for applications in high-performance computing, mobile devices, 5G infrastructure, automotive systems, Internet of Things (IoT) and more. These technologies enable faster data throughput, smaller form factors and energy efficiency, all of which are crucial for next-generation applications like AI, autonomous vehicles and advanced telecommunications. The 2.5D substrate testing is expected to play a crucial role in enhancing the performance and capabilities of future generations of semiconductors thereby positioning the Group as a key player in this high growth segment.

As the Group continues to enhance its capabilities in high-performance semiconductors and advanced packaging, it is also expanding its global presence to capture new market opportunities as part of its holistic growth strategy. India has emerged as a key growth market with its semiconductor industry experiencing rapid expansion driven by the increasing activity from contract manufacturers supporting major global players. This momentum is further bolstered by a favourable investment climate and government support aimed at strengthening India's role and position in the global semiconductor supply chain. Against this backdrop, the Group anticipates growing demand for its test handling equipment, particularly its turret test and vision handlers as the Group is poised to play a pivotal role in India's evolving semiconductor ecosystem.



Beyond its expansion into India, the Group is also strengthening its geographical footprint in Europe and Taiwan by establishing physical presence to further enhance its technological capabilities. These strategic diversifications aim to specifically advance the Group's capabilities and expertise in wafer-level inspection and advanced packaging testing to support the semiconductor industry's growing demand for product quality, performance and reliability. By expanding its presence in these key regions, the Group is well-positioned to drive technological advancements, accelerate the development of next generation testing solutions and reinforce its role as a key player in the global semiconductor value chain.

While the Group has announced its proposed privatisation of the Company, this strategic corporate development does not affect its growth prospects for 2025. The Group remains committed to its core businesses and strategic initiatives while continuously driving innovation and expanding its market presence. With a solid foundation and a clear strategic direction, the Group is determined to capitalise on industry opportunities and sustain its growth momentum and such strategic privatisation allows the Group to channel its resources for its strategic business plans. Additionally, the completion of the Group's new campus 3 production facility at the end of 2024 has significantly enhanced the Group's capacity to undertake larger and more complex projects tailored to the evolving needs of its diverse customer base. This expanded infrastructure is set to be a key driver in accelerating the Group's growth trajectory in the near term.

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

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