

PRESS RELEASE**IMMEDIATE RELEASE**

Pecca outperformed FY2023 record net profit in just 3 quarters of FY2024, sees strong outlook ahead

Group achieves 7th consecutive quarterly record net profit

KUALA LUMPUR, 24 May 2024 - Automotive upholstery maker **Pecca Group Berhad** (“Pecca” or “Group”) is on track to deliver **another record-breaking full-year earnings**. Within just nine months of the fiscal year 2024, the Group has surpassed the total net profit of fiscal year 2023. The nine-month period not only saw a **stronger net profit margin**, but also the increase of Pecca’s **cash holding crossing RM140 million for the first time** mostly due to operating activities.

Pecca reported a net profit of RM40.5 million in the nine months ended 31 March 2024 (“9MFY2024”), largely attributed to higher-margin sales and stronger topline contribution from Malaysia and other Asian markets. This represents a 59.8% jump year-on-year (y-o-y) or an increase of RM15.1 million.

Meanwhile, the revenue increased by RM21.4 million or 12.8% y-o-y to RM188.3 million in 9MFY2024. The rise in revenue was led by the increase in sales from the Original Equipment Manufacturer (“OEM”) car seat cover sub-segment, which rose by 20.4% y-o-y to RM150.3 million in 9MFY2024.

Notably, revenue from the sewing of fabric car seat covers increased by 29.1% y-o-y to RM9.6 million, while revenue from the manufacturing of leather/PVC car accessories covers increased by nearly 19.8% y-o-y to RM5.9 million. As a result of the improved overall profitability, Pecca’s net profit margin in 9MFY2024 grew to 21.5%.

Pecca Chief Executive Officer Mr. Foo Ken Nee said:

“With vehicle sales in Malaysia forecast to exceed 700,000 units in 2024 for the third straight year, this puts Pecca in a strong position to benefit from increased car seat cover sales. Within the Replacement Equipment Manufacturer (REM) sub-segment, we’re working hard to secure more

customers by expanding into new markets such as the United States, Australia, New Zealand, Singapore, and Europe. This year, we intend to make key product launches and ramp up our marketing and brand-building activities.”

“We continue to make progress on our second plant at the UMW High Value Manufacturing Park in Serendah, Selangor. After this new plant comes online sometime in 2025, it will double our production capacity, enabling us to meet demand from both existing and new customers, including those from our Aviation segment.”

*Pecca Executive Director **Mr. Teoh Zi Yi**, said:*

“At this stage, we are focused on building a strong customer base in the Aviation market, with the help of our two partners, Global Component Asia Sdn Bhd and Aero Cabin Solutions (“ACS”). In the first quarter of 2024, as part of our collaboration with ACS, we achieved a milestone with our first purchase order to service a 180-seat, Europe-registered Airbus A320 passenger aircraft. Pecca Aviation is in the final stage of completing the product development activity prior to mass production, a critical step before the signing of definitive agreements with ACS.”

As for the third quarter ended 31 March 2024, Pecca also reported a record-breaking quarterly net profit of RM14.0 million in Q3 FY2024, up by 63.9% y-o-y. Meanwhile, revenue rose 1.6% y-o-y to RM59.5 million.

The improvements were mainly attributable to the higher sales volume and better production cost efficiency achieved in the Automotive segment for the current quarter. OEM leather car seat sub-segment contributed about 88.8% of the total revenue for car seat covers while REM and Pre-Delivery Inspection (“PDI”) sub-segments contributed about 3.9% and 7.3% respectively.

The revenue generated from the Healthcare business is consistent at RM0.82 million as compared to the preceding year’s corresponding quarter.

Looking forward into upcoming quarters, Pecca aims to maintain a similar growth momentum as the Group continues to expand into new markets across four key pillars, namely, OEM, REM, aviation, new business and electric vehicle-related businesses.

About Pecca Group Berhad

Listed on Malaysia's stock exchange, Pecca Group Berhad is a diversified industrial products and services player. Via its operating subsidiary, Pecca Leather Sdn Bhd, Pecca Group is Malaysia's largest upholstery supplier, serving global automotive manufacturers. Pecca Group also has its presence in the aviation industry via Pecca Aviation Services Sdn Bhd, a wholly owned subsidiary of the company. For more information, please visit <https://peccagroup.com/>.

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