

PRESS RELEASE
IMMEDIATE RELEASE

Pecca's profit rises 6% in the third quarter of FY23, best quarter on record

Rising automotive demand fuels third consecutive quarterly earnings record

KUALA LUMPUR, 30 MAY 2023 - Automotive upholstery maker Pecca Group Berhad (“Pecca” or “Group”) **remains on track to achieving another record-breaking quarter profit** in the current financial year of 2023 (“FY2023”), with highest quarterly sales of upholstery car seat covers resulting in a **6% increase in net profit for the third quarter** of FY2023.

The Group posted a **net profit of RM8.56 million in the third quarter** ended 31 March 2023, as compared to RM8.09 million in the previous corresponding period. This was driven by a **28% year-on-year (“y-o-y”) increase in revenue to RM58.58 million** in the three-month period. Notably, these are Pecca's **strongest third-quarter net profit and revenue** figures on record.

Pecca, which posted a **double-digit net profit margin of 14.6%** in the third quarter, **believes its growth momentum will persist in the forthcoming quarters**. As Pecca's major automotive clients including Perodua, Toyota, Proton, Nissan, Mitsubishi, Peugeot and Volkswagen see car orders firm up, the Group expects to keep riding a wave of demand growth.

For the **first nine months** of FY2023, Pecca posted a **net profit of RM25.32 million, up 73% y-o-y** from RM14.60 million in the previous corresponding period. This excellent achievement was attributable to a **47% y-o-y rise in revenue to RM166.93 million for the nine-month period**.

In the third quarter of FY2023, the Group's revenue was driven by demand for upholstery car seat covers, sewing and supply of car accessories covers together with the provision of wrapping and stitching services. Each subsegment contributed about 91%, 4% and 3% of total revenue, respectively. The Original Equipment Manufacturer (“OEM”) leather car seat segment contributed about 86% of the total revenue for car seat covers whilst the Replacement Equipment Manufacturer (“REM”) and Pre-delivery Inspection (“PDI”) segments contributed about 3% and 11% respectively.

Mr. Foo Ken Nee, Chief Executive Officer of Pecca Group Berhad said:

“We are pleased to unveil yet another remarkable set of financial results, demonstrating our continued success and growth. This marks the third consecutive quarter in FY2023 where Pecca has set a new net profit record.

Demand for upholstery servicing and maintenance services is rising, as some of our major clients including Perodua, Toyota and Proton have decided to ramp up production or introduce new models this year. As we continue positioning ourselves as a supplier of choice for global and local automotive companies, we see further room to expand this business - both in Malaysia and across the region.

We are also very excited about what lies ahead for Pecca’s aviation business, which currently contributes only a small amount to our revenue. The recent EASA certification obtained will help expand this business as one of our strategic key contributors, given that aircraft upholstery commands better pricing and margins, compared to the car seat cover for automotive industry.

In Q3FY23 Pecca Aviation became the first Malaysian company to receive Production Organisation Approval (POA) C2 certification from the European Union Aviation Safety Agency (EASA). Before the EASA certification, the market for our aviation products and services are limited to Malaysian-registered aircraft. With Pecca Aviation now qualified to serve EASA-registered aircraft, we can tap a significantly wider, domestic and global customer base.”

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