

PRESS RELEASE
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Pecca Group delivers record net profit and revenue in Q4 FY2023

Highest full-year net profit since IPO in 2016

KUALA LUMPUR, 29 August 2023 – Automotive upholstery maker **Pecca Group Berhad** (“Pecca” or “Group”) achieved **another record-breaking quarter in the financial period ended June 30, 2023** (“Q4 FY2023”), with higher sales of upholstery car seat covers and improved operational efficiency driving a **23% increase in net profit**.

The Group delivered a **net profit of RM10.10 million in the fourth** quarter of fiscal 2023, as compared to RM8.25 million in the previous corresponding period. Revenue **rose 7% year-on-year (“y-o-y”) to RM54.33 million**, from RM50.75 million a year ago. Notably, these are Pecca's highest quarterly net profit and revenue figures on record.

Pecca's **net profit margin for the quarter under review was 18.6%**, a 23% increase from last year's corresponding period. The improvement in profitability was a result of reduced operating costs and enhanced efficiency at the Group's production facilities, in line with Pecca's strategic focus on optimizing the productivity of its manufacturing process.

For the full fiscal year 2023 (“FY2023”), Pecca posted a historical **record net profit of RM35.43 million, up 55%** from RM22.84 million in fiscal 2022. The surge in profit was mainly driven by a **35% y-o-y rise in full-year revenue**, to RM221.26 million.

In the fourth 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 89%, 4% and 5% 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 report another record high quarter of strong financial results, demonstrating our commitment to delivering sustained business growth. Notably, this is the fourth consecutive quarter in fiscal 2023 where Pecca has set a new net profit record.

Demand for high-quality automotive upholstery continues to be strong, with our key customer, Perodua, projecting sales and production to hit another record high in 2023, this momentum will definitely be benefiting Pecca’s Q1’ FY2024. Pecca will continue to position as the supplier of choice for global and local automotive players, enabling us to ride the wave of rising demand.

In FY2023, we completed the acquisition of an 80% stake in PT Gemilang Maju Kencana, and laid the foundation for exciting new partnerships with Aero Cabin Solutions SAS and Global Component Asia. These three developments will help us penetrate new markets and catalyse Pecca's transformation into a multiple engine growth ecosystem.

Going forward, we will continue to leverage our key strengths to expand in existing and new markets, with a focus on higher-margin opportunities. Our robust cash position, which stood at RM111 million as of Q4 FY2023, will give us the financial firepower to accelerate growth across the Group.”

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://www.peccaleather.com>.

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For further media enquiries, please contact:

Anthony Lee

Tel: +6012 338 3705

Email: anthony@leesense.com

Chen Ai Wei

Tel: +6019 335 0398

Email: aiwei@leesense.com