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Pecca Group reports highest-ever quarterly net profit in Q1 FY2024

Increased revenue, improved operating efficiency drive fifth consecutive net profit record

KUALA LUMPUR, 16 November 2023 – Automotive upholstery maker **Pecca Group Berhad** (“Pecca” or “Group”) reported **another record-breaking quarter for the financial period ended September 30, 2023** (“Q1 FY2024”), as higher sales of upholstery car seat covers and improved operational efficiency fueled a **56% increase in net profit**.

The Group delivered a **record quarterly net profit of RM13.01 million** in the first quarter of fiscal 2024, as compared to RM8.35 million in the previous corresponding period. **Revenue rose 17% year-on-year (“y-o-y”) to RM64.05 million**, from RM54.86 million a year ago.

In the first quarter of FY2024, the Group’s revenue was driven by demand for leather upholstery and the sewing of fabric car seat covers. These subsegments each contributed about 90% and 5% of the Group’s total revenue, respectively. The Original Equipment Manufacturer (“OEM”) upholstery car seat segment contributed about 88% of the total revenue for car seat covers whilst the Replacement Equipment Manufacturer (“REM”) and Pre-delivery Inspection (“PDI”) segments contributed about 3% and 9% respectively.

Pecca’s net profit margin for the quarter under review was 20.3%, a 34% increase from last year’s corresponding period. Pecca’s profitability improved due to reduced operating costs, as the Group’s production facilities reaped the benefits of better economies of scale.

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

“We are pleased to kick off FY2024 with another set of solid financial results, underscoring our commitment to achieving sustained business growth. This marks the fifth consecutive quarter where the Group has set a new net profit record.

As we continue to meet growing demand for high-quality automotive upholstery, our focus on operational efficiency has enabled us to reap rewards from economies of scale. We remain dedicated to maintaining this positive trajectory and delivering value to our stakeholders.

We are also working aggressively to expand our local and foreign customer base in the REM segment and penetrate new markets in the U.S., Australia, New Zealand, Singapore and Europe. This year, we have been meeting existing and potential REM customers from around the world. We also participated in the SEMA Show, one of the biggest automotive exhibitions in the United States.

In FY2024, we will continue our efforts to diversify into new markets and transform the Group into a multiple-engine growth ecosystem. Our strong cash position, which has risen to RM112.60 million as of Q1 FY2024, will give us the firepower to catalyse our growth.”

Mr. Teoh Zi Yi, Executive Director of Pecca Group Berhad said:

“Looking ahead, we think our aviation division can emerge as a key driver of revenue for the Group, and ride the recovery in global air travel. We have already achieved a key milestone in Q1, with our first purchase order from a European commercial aviation customer via our collaboration with Aero Cabin Solutions, our MRO partner from France.

In addition, through our stake in PT Gemilang Maju Kencana, we have established a physical manufacturing presence in Indonesia, giving us a foothold in one of the region’s biggest car markets. PT Gemilang’s product portfolio, its extensive partnerships across the Indonesian automotive industry, coupled with our manufacturing capabilities and financial strength, make this a truly synergistic acquisition.”

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>.

Issued by: Sense Consultancy on behalf of Pecca Group Berhad
Date: 16 November 2023

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