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Pecca Group achieves another record net profit in Q4 FY2024

- Full-year net profit rises to RM55.0 million, up 55.4% from FY2023
- Best annual net profit recorded since IPO in 2016

KUALA LUMPUR, 22 August 2024 – Automotive upholstery maker Pecca Group Berhad (“Pecca” or “Group”) reported **record-breaking earnings for the financial period ended June 30, 2024** (“Q4 FY2024”), as improved production cost efficiency, along with robust sales of upholstery car seat covers, fueled a **44.6% increase in net profit** as compared to the previous corresponding period.

The Group delivered a **net profit of RM14.6 million** in Q4 FY2024, compared to RM10.1 million in last year’s corresponding period. Q4 FY2024 revenue rose to RM55.0 million, compared to RM54.3 million a year ago.

Pecca’s **net profit margin for the quarter under review was 26.5%**, a 42.7% jump from last year’s corresponding period. The improvement in profitability was mainly achieved through better production cost efficiency and enhanced productivity at Pecca’s production facilities, a result of the Group’s strategic focus on optimizing the effectiveness of its manufacturing process.

In Q4 FY2024, the Group’s revenue was driven by demand for upholstery car seat covers, sewing and supply of car accessories covers, and the provision of wrapping and stitching services. Together, these subsegments contributed approximately 99.9% of the Group’s total revenue. Within the leather car seat covers segment, the Original Equipment Manufacturer (“OEM”) leather car seat segment contributed about 90.0% of the segment’s revenue.

For the full fiscal year 2024 (“FY2024”), Pecca posted a **historical record net profit of RM55.0 million**, up 55.4% from RM35.4 million in fiscal year 2023 (“FY2023”). The surge in profit was mainly driven by higher production cost efficiency, in addition to sustained demand for the Group’s products and services. Pecca recorded a **9.5% y-o-y rise in full-year revenue to RM242.4 million**, from RM221.3 million in FY2023. The Group’s **cash position improved further by 38.2% from a year ago, rising to RM153.7 million** as at end-FY2024.

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

We are pleased to report another record-breaking financial year for the Group, along with our eighth consecutive quarterly net profit record since Q1 FY2023.

Our strong performance is a testament to our commitment to sustained business growth and shareholder wealth creation. In FY2024, we continued to benefit from improved economies of scale, as a result of robust demand for our products and our strong relationships with customers. At the same time, we persisted in our efforts to maximize the productivity of our production facilities.

Demand for high-quality automotive upholstery in Malaysia continues to be strong, with the industry projecting that 2024 will be the second-best year for new car sales. To grow this business, we are working to widen our customer base both in Malaysia and globally, and increase the revenue contribution from other segments such as the REM segment.

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

"In FY2025, we will continue to expand and diversify into new markets across our four key pillars, namely, OEM, REM, Aviation, and Emerging Ventures. The success of this effort is crucial as it will unlock our next phase of growth.

With our robust financial position, we have the resources to accelerate our growth trajectory. In addition to the organic expansion of our business, we will continue to pursue strategic mergers and acquisitions and synergistic partnerships. We remain committed to investing and operating with a five to ten-year time horizon, prioritizing long-term returns over immediate financial gains.

Within the aviation segment, our top priorities for FY2025 are to broaden our regional customer base and secure additional passenger aircraft orders. We will also work on enhancing our product and service offerings, enabling us to deliver a wider range of services and provide greater value to our customers."

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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