

PRESS RELEASE
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Pecca Group reports highest-ever quarterly net profit in Q2 FY2024

Group achieves sixth consecutive quarterly net profit record

KUALA LUMPUR, 28 February 2024 - Automotive upholstery maker **Pecca Group Berhad** (“Pecca” or “Group”) reported **another record-breaking quarter for the financial period ended December 31, 2023** (“Q2 FY2024”), with both revenue and net profit hitting historic highs.

The Group delivered a **record quarterly net profit of RM13.39 million** in Q2 FY2024, up 59% from RM8.41 million in the previous corresponding period. **Revenue rose 21% year-on-year (“y-o-y”) to a record RM64.76 million**, from RM53.48 million a year ago.

In the second quarter of FY2024, the Group’s revenue was driven by demand for upholstery car seat covers, the sewing and supply of covers for car accessories, as well as wrapping and stitching services. These subsegments each contributed about 90%, 5% and 3% of the Group’s total revenue, respectively. The Original Equipment Manufacturer (“OEM”) upholstery car seat segment contributed about 89% of the total revenue for car seat covers whilst the Replacement Equipment Manufacturer (“REM”) and Pre-delivery Inspection (“PDI”) segments contributed about 3% and 8% respectively.

Pecca's net profit margin for the quarter under review was 20.7%, a 32% increase from last year's corresponding period. Pecca’s profitability improved due to enhanced cost efficiency, with the Group's production facilities benefiting from better economies of scale.

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

“We are pleased to announce another set of strong financial results, reflecting our commitment to sustained business growth. Notably, this marks the sixth consecutive quarter where the Group set a new net profit record.

Our cash position also rose to RM138.96 million as of Q2 FY2024, up 24.9% from RM111.23 million at the end of FY2023. Our robust financial strength will give us the firepower to accelerate our diversification into new markets.

The outlook for automotive TIV in Malaysia continues to be resilient. We are well-positioned to capitalize on this momentum, with our focus on productivity, cost efficiency and optimal procurement strategy.”

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

“As we move forward, we are banking on our aviation division to unlock our next phase of growth.

We will continue to work toward building a strong and stable customer base in the aviation industry, tapping the capabilities and networks of our industry partners. Just last week, we formalized a strategic partnership with Global Component Asia Sdn Bhd (GCA) at the Singapore Airshow 2024. This partnership will provide Pecca Aviation with the opportunity to deliver aircraft interior solutions to GCA’s roster of prominent aviation customers, including airlines and maintenance, repair, and operations (MRO) players from key markets around the world.

With the global air travel industry having staged a near-complete recovery, we believe we can achieve higher profit contributions from this business.”

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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