Lecico Egypt (S.A.E)
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# First Quarter 2026 Results

## Highlights

### 1Q 2026

- Lecico revenue up 16% to LE 1,956.8 million (63.9% from sanitary ware).
- Sanitary ware revenue up 17% to LE 1,249.4 million, sales volumes up 10% to 881,447 pieces (76.2% exports).
- Tile revenue up 8% to LE 620.4 million, sales volumes down 3% to 5.4 million square meters (7.5% exports).
- Brassware revenue up 71% to LE 87 million, sales volume up 65% to 37,390 pieces.
- EBIT profit down 32% to LE 148.9 million compared to LE 217.7 million in 1Q 2025.
- Net profit of LE 42.4 million compared to net profit of LE 92.4 million in 1Q 2025.

**Lecico Egypt Chairman, Gilbert Gargour commented**, "We are off to a good start for 2026 with first quarter results – although down on the same period last year - showing a good improvement over fourth quarter 2025.

"This quarter we benefited from improved operational efficiency in sanware and tiles, several local price increases around the end of last year and a drop in the exchange rate of the Egyptian Pound which helped us absorb cost increases coming from the Middle East conflict related disruption of supply chains.

"I am particularly pleased with this result as this quarter included Ramadan and Eid holidays which meant lower production levels and sales volumes than in the previous quarter which put further strain on our operations.

"This has certainly been an eventful first quarter globally and the unstable international environment – with knock on effects on our factories and markets – are far from settled. All of which highlights our need to remain flexible and ready to adjust to further shocks as the year progresses.

"I do believe our closeness to our markets and Egypt's partial self-sufficiency on energy will help shield us from some of the shocks and allow Lecico – if we are proactive enough – to benefit from this crisis. However, this will not be without some pain.

"The year ahead will be a challenging one with price and cost pressure on margins continuing. Lecico will continue to build new customers and markets, while trying to improve our share in the UK and Egypt. Lecico will also continue to invest in modernizing our production assets and improving our product offer.

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"Lecico is continuing to develop and improve, but this will be hard to see in our financials in the year ahead as headwinds obscure our progress. Lecico has weathered these cycles of margin pressure many times over the years. I have every confidence we will emerge from 2026 a stronger business."

**Taher Gargour, Lecico Egypt CEO, added**, "The first quarter of 2026 shows growth in profits and margins over the fourth quarter of 2025 despite lower revenues and sales and production volumes.

"Our local prices benefitted from the increases done late last year and in January and the drop in the value of the Egyptian Pound following the attacks on Iran helped boost our export prices at the end of this quarter, all of which helped offset the strong inflationary pressure we have seen in light of growing conflict and uncertainty in the region.

"Our sanitary ware business saw all manufacturing KPIs improve as we absorbed the pain of onboarding new customers that was particularly tough at the end of last year. Kiln loss, refire rates and repair rates all show improvement over last year. This helped absorb some of the inflationary pressure we faced with lower volumes for Ramadan and Eid and saw margins improve quarter-on-quarter.

"Tiles similarly saw operational improvement with first choice percentage and mix adjusted scrap rates all improving quarter-on-quarter.

"On the other hand, sales and production volumes were down significantly compared to the previous quarter as Ramadan and Eid limited our working days and our supply chains for export felt some disruption in the second half of the quarter.

"Despite around 8% lower volumes, we were able to improve margins by a couple of percentage points on the last quarter, although we are significantly worse off than the first quarter of last year.

"Gross and operating profits also showed growth over the previous quarter, though again they are substantially lower than the same period last year.

"So overall, in what was a challenging operating environment, we saw some quarter-on-quarter improvement in our results despite lower volumes thanks to improvements in operational efficiency and the benefits of local price increases and the weakening of the Egyptian Pound.

"Although the global political and economic outlook remains volatile and uncertain, we are hoping to see growth quarter-on-quarter in the coming period as we grow our new customers and expand our product ranges in the coming months. Still, we expect the pressure of cost inflation in Egypt to outpace our limited export price increases, which will likely see a further squeeze in our margins and a dip in operating and net profits year-on-year despite the extra volume and revenue.

"We will look to economies of scale and efficiency gains to offset this cost inflation, but we will likely not unlock enough efficiency to fully offset these pressures this year. We will continue to work hard to preserve and build on our financial results in the coming quarters whatever the operating environment."

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## Lecico Revenue and Profitability

| Profit and loss statement highlights | 1Q | | % |
|---|---|---|---|
| (LE m) | 2026 | 2025 | 26/25 |
| Sanitary ware | 1,249.4 | 1,064.7 | 117% |
| Tiles | 620.4 | 575.1 | 108% |
| Brassware | 87.0 | 50.8 | 171% |
| **Sales** | **1,956.8** | **1,690.6** | **116%** |
| Sanitary ware/sales (%) | 63.9% | 63.0% | 0.9% |
| Cost of sales | (1,542.0) | (1,233.1) | 125% |
| Cost of sales/sales (%) | (78.8%) | (72.9%) | 5.9% |
| **Gross profit** | **414.8** | **457.5** | **91%** |
| Gross profit margin (%) | 21.2% | 27.1% | (5.9%) |
| Distribution and administration (D&A) | (214.6) | (193.5) | 111% |
| D&A/sales (%) | (11.0%) | (11.4%) | (0.5%) |
| Net other operating income/ (expense) | (30.7) | (29.2) | 105% |
| Net other operating income/ (expense) sales (%) | (1.6%) | (1.7%) | (0.2%) |
| **EBIT** | **169.4** | **234.8** | **72%** |
| EBIT margin (%) | 8.7% | 13.9% | (5.2%) |
| **Net profit** | **63.0** | **109.5** | **58%** |
| Net profit margin (%) | 3.2% | 6.5% | (3.3%) |

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## Segmental analysis

### Sanitary ware

| Sanitary ware segmental analysis | 1Q | | % |
|---|---|---|---|
| | 2026 | 2025 | 26/25 |
| Sanitary ware volumes (000 pcs) | | | |
| Egypt (000 pcs) | 200 | 120 | 166% |
| Lebanon (000 pcs) | 10 | 11 | 85% |
| Export (000 pcs) | 672 | 667 | 100.8% |
| **Total sanitary ware volumes (000 pcs)** | **881** | **798** | **110%** |
| Exports/total sales volume (%) | 76.2% | 83.5% | (7.3%) |
| **Sanitary ware revenue (LE m)** | **1,249.4** | **1,064.7** | **117%** |
| Average selling price (LE/pc) | 1,417.5 | 1,333.5 | 106% |
| Average cost per piece (LE/pc) | 1,084.7 | 948.9 | 114% |
| Sanitary ware cost of sales | (956.1) | (757.6) | 126% |
| **Sanitary ware gross profit** | **293.4** | **307.1** | **96%** |
| Sanitary ware gross profit margin (%) | 23.5% | 28.8% | (5.4%) |

### Tiles

| Tile segmental analysis | 1Q | | % |
|---|---|---|---|
| | 2026 | 2025 | 26/25 |
| Tile volumes (000 sqm) | | | |
| Egypt (000 sqm) | 4,923 | 5,118 | 96% |
| Lebanon (000 sqm) | 30 | 54 | 55% |
| Export (000 sqm) | 403 | 358 | 113% |
| **Total tile volumes (000 sqm)** | **5,355** | **5,529** | **97%** |
| Exports/total sales volume (%) | 7.5% | 6.5% | 1.1% |
| **Tile revenue (LE m)** | **620.4** | **575.1** | **108%** |
| Average selling price (LE/sqm) | 115.9 | 104.0 | 111% |
| Average cost per sqm (LE/sqm) | 100.7 | 80.9 | 124% |
| Tile cost of sales | (539.1) | (447.4) | 120% |
| **Tile gross profit** | **81.3** | **127.7** | **64%** |
| Tile gross profit margin (%) | 13.1% | 22.2% | (9.1%) |

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## Brassware

| Brassware segmental analysis | 1Q | | % |
|---|---|---|---|
| | 2026 | 2025 | 26/25 |
| Brassware volumes ( pcs) | | | |
| Egypt ( pcs) | 37,390 | 22,542 | 166% |
| Export ( pcs) | - | 75 | 0% |
| **Total brassware volumes ( pcs)** | **37,390** | **22,617** | **165%** |
| Exports/total sales volume (%) | 0.0% | 0.3% | (0.3%) |
| | | | |
| **Brassware revenue (LE m)** | **87.0** | **50.8** | **171%** |
| Average selling price (LE/pc) | 2,326 | 2,246 | 104% |
| Average cost per piece (LE/pc) | 1,254.7 | 1,242.8 | 101% |
| Brassware cost of sales | (46.9) | (28.1) | 167% |
| **Brassware ware gross profit** | **40.0** | **22.7** | **176%** |
| Brassware gross profit margin (%) | 46.1% | 44.7% | 1.4% |

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## Financial Position

The value of Lecico's non-current assets increased by 1% at the end of March 2026, to reach LE 3,711.8 million (2025: LE 3,683.5 million).

Total Equity increased 2% at the end of March 2026, to reach LE 4,043.8 million (2025: LE 3,977.8 million).

The value of Lecico's current assets increased by 15% at the end of March 2026, to reach LE 5,568.5 million (2025: LE 4,853.6 million).

Total liabilities increased by 15% to reach LE 5,097.1 million (2025: LE 4,431.2 million) due to higher other payables, cash outflows around new investments in production improvements, and the impact of a weaker EGP on the translation of liability balances at the end of the quarter.

Gross debt increased 35% or LE 557.9 million to reach LE 2,145.4 million compared to LE 1,587.5 million at the end of 2025.

Net debt increased 28% or LE 350 million to reach LE 1,619.7 million compared to LE 1,269.6 million at the end of 2025.

Net debt to equity at the end of March 2026 reached 0.4x compared to 0.32x at the end of 2025.

Working capital increased 13% or LE 380.5 million to reach LE 3,284.9 million compared to LE 2,904.5 million at the end of 2025.

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**The following is a summary of some of Lecico Egypt's standalone financial results for the period ended March 31, 2026:**

| Description | 31/03/2026 | 31/12/2025 |
|---|---|---|
| Total Assets | 5,874,800,272 | 3,520,866,538 |
| Total Liabilities | 3,681,136,899 | 2,290,088,639 |
| Total Equity | 2,193,663,364 | 1,230,777,899 |

| Description | 31/03/2026 | 31/03/2025 |
|---|---|---|
| Net sales | 991,015,251 | 756,276,302 |
| Results from operating activities (EBIT) | 110,963,029 | 92,684,941 |
| Net profit for the year | 72,463,124 | 42,867,406 |

Gilbert Nicolas Gargour

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Chairman of the Board