Lecico Egypt (S.A.E)
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Third Quarter 2026 Results

Highlights

3Q 2026

- Lecico revenue up 19% to LE 2,582.9 million (65.3% from sanitary ware).
- Sanitary ware revenue up 22% to LE 1,686.4 million, sales volumes up 8% to 1 million pieces (77.7% exports).
- Tile revenue up 11% to LE 782.8 million, sales volumes down 11% to 5.8 million square meters (7.4% exports).
- Brassware revenue up 33% to LE 113.8 million, sales volume up 25% to 47,386 pieces.
- EBIT profit down 15.9% to LE 258.6 million compared to LE 299.8 million in 3Q 2025.
- Net profit of LE 79.2 million compared to net profit of LE 120.9 million in 3Q 2025.

9M 2026

- Lecico revenue up 21% to LE 6,972.7 million (65.4% from sanitary ware).
- Sanitary ware revenue up 23% to LE 4,563.4 million, volumes up 12% to 2.99 million pieces (77.2% exports).
- Tile revenue up 14% to LE 2,092.7 million, volumes down 4% to 16.6 million square meters (7.3% exports).
- Brassware revenues up 51% to LE 316.6 million, sales volume up 40% to 133,241 pieces.
- EBIT profit down 5.5% to LE 721.1 million compared to LE 754.6 million last year.
- Net profit down 30.5% to LE 214.4 million compared to LE 308.3 million last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “Lecico has delivered a strong third quarter, despite a squeeze on margins from inflationary pressures and regional uncertainty. Strong sales volumes across all segments – although particularly tile sales in Egypt - helped absorb the squeeze on sanitary ware margins with operating profit above the average of the first half and last year.

“Strong inflation and our annual salary increase were the main drivers of a squeeze in margins compared to last quarter although this was offset by exchange gains this quarter giving us the best quarterly net profit value this year.

“The Company is planning to reduce stocks of finished products in the fourth quarter. This will help us with working capital and get us in a better stock position for the year end.”

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However, this destocking will put further pressure on our margins in the quarter ahead as we reduce operational efficiency.

"This has certainly been an eventful year with an unstable international environment and lots of regional instability. It is hard to judge how political and macroeconomic factors might affect the year ahead but certainly expectations for 2027 have become more conservative as this year has progressed. We see limited scope for volume growth in 2027 as export markets are all expecting subpar growth and energy-led inflation to continue.

"Lecico is looking to offset this pressure on markets in the year ahead with growth in Egypt and some key export markets driven by our investments in new sanitary ware models, launching our porcelain tiles and our continued marketing push in Egypt."

Taher Gargour, Lecico Egypt CEO, added, "The third quarter of 2026 continued to show sequential top line growth on the back of better average prices and volume growth in tiles. Margins and operating profits dipped as we faced significant inflation in energy, materials and salaries in the quarter.

"Revenue increased year-on-year by 18% to LE 2,582.9 million, with sanitary ware and brassware volumes growing and prices in all categories raised on the back of strong local increases and the effect of a weaker pound on exports.

"Operating Profit (EBIT) – on the other hand – fell by 15% to LE 233.7 million, as inflation squeezed our gross margins with limited scope to pass on cost inflation in tiles and exports. Although inflation has dropped compared to last year, it remains high due to regional instability and its impact on energy and related products and costs. Over the course of this year we have seen significant increases in energy and plastic prices in particular impact our cost structure.

"Although our operating profit is down on the same period last year, it is above the average quarterly profit value of last year as a whole and above the average of the first half of 2026 despite a drop in margins.

"Net profit of LE 54.3 million – while also significantly below the same period last year – is still our highest quarterly net profit so far in 2026.

"I am pleased to see some momentum in operations with top line growth despite the squeeze on margins from inflation and external shocks.

"Our local sales saw a significant boost year-on-year from our strong marketing push in Egypt with the continued roll out of our luxury sub-brand and exports also show good year on year growth especially from our OEM sales as new opportunities arose as a result of continued global realignment of supply chains to reflect global and regional events.

"I am expecting a significant squeeze on margins in the fourth quarter as we look to reduce our finished product stocks particularly in tiles where we have built up about half a month's extra stock over the course of previous quarters. This will put further pressure on margins but leave us better positioned for cash management and follow up in the year ahead.

"The outlook for 2027 remains a bit unclear with growth expected to be muted in Europe for our markets and our core products. We will look to efficiency gains and targeting margin improvement in key products to do our best to manage inflation, but exchange rates and Egyptian inflation will be the key to how this shapes up. We will continue to work hard to preserve and build on our financial results in the coming quarters."

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Financial Position

The value of Lecico's non-current assets increased by 1% at the end of September 2026, to reach LE 3,705 million (2025: LE 3,683.5 million).

Total Equity increased 4% at the end of September 2026, to reach LE 4,144.6 million (2025: LE 3,977.8 million).

The value of Lecico's current assets increased by 33% at the end of September 2026, to reach LE 6,471.7 million (2025: LE 4,853.6 million).

Total liabilities increased by 33% to reach LE 5,881.8 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 75% or LE 1,193.4 million to reach LE 2,780.9 million compared to LE 1,587.5 million at the end of 2025.

Net debt increased 89% or LE 1,128.1 million to reach LE 2,397.7 million compared to LE 1,269.6 million at the end of 2025.

Net debt to equity at the end of September 2026 reached 0.58x compared to 0.32x at the end of 2025.

Working capital increased 40% or LE 1,173.5 million to reach LE 4,078 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 September 30, 2026:

Description	30/09/2026	31/12/2025
Total Assets	6,599,160,107	3,520,866,538
Total Liabilities	4,279,004,960	2,290,088,639
Total Equity	2,320,155,148	1,230,777,899

Description	30/09/2026	30/09/2025
Net sales	5,144,166,296	2,652,119,638
Results from operating activities (EBIT)	527,921,065	323,314,923
Net profit for the year	198,954,917	143,352,172

* The first-nine months 2026 results reflect the financial performance of Lecico Egypt following the completion of the merger on March 31, 2026, combining the three entities: Lecico for Ceramic Industries, International Ceramics Company, and European Ceramics Company.

Gilbert Nicolas Gargour

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Chairman of the Board