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

Highlights

2Q 2026

- Lecico revenue up 30% to LE 2,433.1 million (66.9% from sanitary ware).
- Sanitary ware revenue up 29% to LE 1,627.7 million, sales volumes up 18% to 1.1 million pieces (77.5% exports).
- Tile revenue up 27% to LE 689.5 million, sales volumes up 4% to 5.5 million square meters (7% exports).
- Brassware revenue up 59% to LE 115.9 million, sales volume up 40% to 48,464 pieces.
- EBIT profit up 33% to LE 293.1 million compared to LE 220.1 million in 2Q 2025.
- Net profit of LE 72.2 million compared to net profit of LE 77.9 million in 2Q 2025.

1H 2026

- Lecico revenue up 23% to LE 4,389.9 million (65.5% from sanitary ware).
- Sanitary ware revenue up 24% to LE 2,877.1 million, volumes up 14% to 1.9 million pieces (76.9% exports).
- Tile revenue up 17% to LE 1,309.9 million, volumes up 1% to 10.8 million square meters (7.3% exports).
- Brassware revenues up 64% to LE 202.8 million, sales volume up 50% to 85,854 pieces.
- EBIT profit of LE 462.5 million compared to EBIT profit of LE 454.8 million in the same period last year.
- Net profit of LE 135.2 million compared to net profit of LE 187.4 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, "Despite continued inflationary pressures and regional uncertainty, the Group delivered one of its strongest operating performances of recent years, reflecting improving efficiency, export growth and resilient domestic demand.

"Our underlying operating performance remained strong throughout the quarter, however reported net profit was adversely affected by significant foreign exchange translation losses following the appreciation of the Egyptian Pound.

"This quarter we benefited from improved operational efficiency in sanitary ware and tiles and two local price increases although we suffered from cost increases in raw materials and a stronger currency reducing our average export prices.

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"This has certainly been an eventful first half of the year with an unstable international environment and lots of regional instability. I am pleased with our performance this quarter in the face of this volatility.

"The rest of the year will continue to be challenging one with price and cost pressure on margins continuing. Lecico is continuing to develop and improve, but this may be hard to see in our coming financials 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 second quarter of 2026 shows strong growth through the operating profit level despite cost inflation and a stronger currency squeezing our export revenues and negatively impacting our bottom line with exchange variance losses.

"Revenue increased by 30% to LE 2,433.1 million, while operating profit (EBIT) increased by 37% to LE 268.2 million, reflecting continued operational momentum despite significant cost inflation. Net profit of LE 47.6 million was broadly in line with the prior year after foreign exchange losses arising from the appreciation of the Egyptian Pound.

"I believe our strong results through the operating line this quarter are a real achievement in the light of these pressures. Underpinning this good result is a strong effort to deliver growth and raise prices from all sides of the Company.

"Our local sales saw a boost from a strong marketing push in Egypt around the launch of our luxury sub-brand with a range of new sanitary ware products launched and new tile and sanitary ware products showcased in advance of their launch in the second half of the year. This brand and product refresh has been a key factor in our strong growth in sales volumes in Egypt. We also pushed through two local prices increases over the quarter with another planned for August.

"Exports reached their highest quarterly level for several years as the team's continued focus on expanding our customer base and growing existing relationships delivered tangible results. This was also significantly impacted by our sanitary ware product refresh with newer models increasingly driving demand.

"Although the global political and economic outlook remains volatile and uncertain, we are hoping to see top line growth in the second half as we continue to roll out new products – including porcelain tiles and several new sanitary ware ranges and colours. We also expect to see continued export growth despite the threats of increased shipping costs and new tariffs in some markets. Whilst we expect cost inflation to remain ahead of price increases in the near term, we will continue to pursue pricing initiatives, operational efficiencies and cost reduction programmes to mitigate the impact wherever possible.

"We will look to economies of scale and efficiency gains to offset this cost inflation, but we will likely not unlock enough 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.

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Financial Position

The value of Lecico's non-current assets slightly increased by 0.3% at the end of June 2026, to reach LE 3,694 million (2025: LE 3,683.5 million).

Total Equity increased 2% at the end of June 2026, to reach LE 4,071.9 million (2025: LE 3,977.8 million).

The value of Lecico's current assets increased by 21% at the end of June 2026, to reach LE 5,859.4 million (2025: LE 4,853.6 million).

Total liabilities increased by 21% to reach LE 5,343.8 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 54% or LE 860.3 million to reach LE 2,447.8 million compared to LE 1,587.5 million at the end of 2025.

Net debt increased 61% or LE 773.5 million to reach LE 2,043.1 million compared to LE 1,269.6 million at the end of 2025.

Net debt to equity at the end of June 2026 reached 0.5x compared to 0.32x at the end of 2025.

Working capital increased 27% or LE 793.5 million to reach LE 3,698 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 June 30, 2026:

Description	**30/06/2026**	**31/12/2025**
Total Assets	5,502,445,793	3,520,866,538
Total Liabilities	4,389,113,697	2,290,088,639
Total Equity	1,113,332,093	1,230,777,899

Description	**30/06/2026**	**30/06/2025**
Net sales	2,996,490,947	1,617,134,526
Results from operating activities (EBIT)	332,586,916	177,960,590
Net profit for the year	119,703,757	78,052,067

* The first-half 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