First Quarter 2019 Results

Alexandria, 14th May 2019 – Lecico Egypt (Stock symbols: LCSW.CA; LECI EY) announces its consolidated results for the first quarter 2019.

Highlights

1Q 2019

- Lecico revenue down 2% to LE 637.1 million (58.2% from sanitary ware).
- Sanitary ware revenue down 6% to LE 370.9 million, volumes down 7% to 1.2 million pieces (66.5% exports).
- Tile revenue up 2% to LE 246.4 million, volumes down 5% to 6 million square meters (30.7% exports).
- Brassware revenue up 13% to LE 19.8 million, sales volume up 6% to 23,635 pieces.
- EBIT profit of LE 34.4 million compared to profit LE 82.9 million in 1Q 2018 (1Q 2018 included LE 25.5 million exceptional income).
- Net loss of LE 28.1 million compared to net profit of LE 24.4 million in 1Q 2018.

Lecico Egypt Chairman, Gilbert Gargour, commented "Your company continues to suffer from an unfavorable economic environment despite some strong improvements quarter-on-quarter in our average prices, margins and interest expense.

"Year-on-year higher interest costs, low demand and high inflation have continued to affect our performance. This has negated real improvements in our tile business and successful efforts at managing our current asset levels and reducing debt and cost of finance. We continue along with the majority of observers to hope for an improvement in the economic environment for industry in Egypt.

"The restructuring plan for our Lebanese subsidiary – which I wrote about last newsletter and is an important part of the turnaround of our overall business – has begun in earnest with production and staff reductions, significant cost reductions and increased destocking of inventories. The immediate effects will be negative on profits as we incur high restructuring and non-recurring expenses and destock with little profit. However, I am confident that the strategic objective of releasing cash and replacing production with lower cost Egyptian sourcing will substantially improve the position of the group. The cash flow effects should be felt this year and the subsidiary's profitability will improve once Egyptian product replaces sales from stock in future years.

"The group will have a further significant improvement when surplus real estate assets in Lebanon are sold. These have a high but not very liquid value at this time.

"Under difficult circumstances the results we present today are not unsatisfactory and reflect well on your management efforts who continue to work hard and effectively to surmount current difficulties."

Taher Gargour, Lecico Egypt CEO, added, "We are beginning to see the benefits of our hard work. Quarter-on-quarter we have seen gross margins improve despite lower revenues, costs are under control and we are starting to see a real improvement in our interest expenses. The main negative factor impacting our numbers in the quarter was the slowdown in Egypt year-on-year and a drop in exports quarter-on-quarter.

"Our sales in Egypt fell 10% year-on-year despite higher prices in all segments as volumes continued to drop. The sales in the trade channels continue to weaken and projects slowed in the quarter too due to issues with payment and collection.

"We increased production in sanitary ware and tiles and enacted significant cost reductions which helped offset cumulative high inflation over the year to keep tile costs flat year-on-year and reduce sanitary ware costs quarter-on-quarter. That improvement in prices and costs meant that while we have a reduction in gross profits and gross margins year-on-year, we can see some significant improvement quarter on quarter.

"Of course, significant challenges remain for the rest of 2019. We will likely face pricing pressure as the relative strength of the Egyptian Pound and the Dollar will compound to take circa 7-8% off our average export price in Egyptian Pounds. Lower sales volumes year-on-year look set to continue with some weakness in the UK and a couple of key OEM accounts plus the renewed conflict in Libya adding pressure on exports to compound market weakness in Egypt. We will do all we can to increase sales in Egypt and export over the course of the year.

"Lower sales will mean we cut production in the coming quarters and that is likely to put pressure on our gross margin compared to this quarter. This will be compounded by subsidy removals and inflation expected in June and July.

"Our tax bill and structure are also an area for improvement. The end of our last tax holiday on a subsidiary in Egypt has seen the tax bill increase and the Company is paying significant taxes despite making a pre-tax loss on a consolidated basis. As we work on various plans to restructure our business to meet our strategic aims, we will also be obtaining the relevant advice on an optimal tax structure. This will be a key focus for 2019.

"Although cash flows have been slightly negative in the first quarter, we expect to continue to reduce inventories and receivables in 2019 with the support of our restructuring in Lebanon. Our objective is to generate cash or at least remain cash flow neutral in 2019 keeping net debt at year-end 2018 levels or better for the year. Debt reduction remains a key factor in the sustainability of our business and the return to long term profitability.

"We are to some extent forced to weather the cyclical negatives of Egypt's economic reforms. In the meantime, we will try to defend and rebuild margins by recovering sales volumes; unlocking efficiency gains and cutting costs; pushing up prices in export and local markets; and unlocking working capital and reducing our asset footprint. We will continue to adjust debt mix to minimize interest while remaining conscious of exchange rate risk. Through these efforts, we will continue to work towards the best possible result despite our challenges."

Lecico Revenue and Profitability

Profit and loss statement highlights	1Q		%
(LE m)	2019	2018	19/18
Sanitary ware	370.9	393.4	94%
Tiles	246.4	242.1	102%
Brassware	19.8	17.6	113%
Sales	**637.1**	**653.0**	**98%**
Sanitary ware/sales (%)	58.2%	60.2%	(2.0%)
Cost of sales	(512.2)	(509.4)	101%
Cost of sales/sales (%)	(80.4%)	(78.0%)	2.4%
Gross profit	**124.9**	**143.6**	**87%**
Gross profit margin (%)	19.6%	22.0%	(2.4%)
Distribution and administration (D&A)	(84.4)	(81.6)	103%
D&A/sales (%)	(13.2%)	(12.5%)	0.7%
Net other operating income/ (expense)	(6.1)	20.9	-
Net other operating income/ (expense) sales (%)	(1.0%)	3.2%	-
EBIT	**34.4**	**82.9**	**42%**
EBIT margin (%)	5.4%	12.7%	(7.3%)
Net profit (loss)	**(28.1)**	**24.4**	**-**
Net profit margin (%)	-	3.7%	-

1Q 2019: Lower sanitary ware sales and margins drive drop in gross margin and net loss

A drop in sanitary ware sales volumes and profitability drove down Lecico's gross margin year-on-year resulting in a net loss for the quarter. While worse year-on-year, sanitary ware did show improvement quarter-on-quarter with price increases in Egypt and exports starting to come through the numbers and higher production volumes helping to keep costs under control.

Lecico revenues for the first quarter decreased by 2% year-on-year to reach LE 637.1 million (1Q 2018: LE 653 million) with growth in tiles and lower revenues in sanitary ware. Local revenues fell 10% year-on-year to reach LE 265.2 million (1Q 2018: LE 295.3 million) while export revenues rose 4% year-on-year to reach LE 371.9 million (1Q 2018: LE 357.7 million).

Quarter-on-Quarter revenues decreased by 3% (4Q 2018: LE 656.3 million) with export growth offset by falling local sales. Export revenues rose 10% quarter-on-quarter to reach LE 371.9 million (4Q 2018: LE 337.8 million) while local revenues fell 17% quarter-on-quarter to reach LE 265.2 million (4Q 2018: LE 318.5 million). Average selling price in all segments was up quarter-on-quarter due to price increases in export and the local market rolling out from the beginning of 2019 and the increase in mix prices in exports.

Lecico's cost of goods sold rose by 1% year-on-year to LE 512.2 million (1Q 2018: LE 509.4 million).

Lecico's gross profit for the first quarter decreased 13% year-on-year to LE 124.9 million (1Q 2018: LE 143.6 million). Lecico's gross profit margin decreased 2.4 percentage points to 19.6% compared to 22% in the same period last year.

Quarter-on-quarter gross profit increased by 29% (4Q 2018: LE 97.2 million) and Lecico's gross margin increased 4.8 percentage points (4Q 2018: 14.8%).

In absolute terms, distribution and administration (D&A) expenses increased by 3% to LE 84.4 million (1Q 2018: LE 81.6 million), and proportional D&A expenses were up by 0.7 percentage points to 13.2% (1Q 2018: 12.5%).

Quarter-on-quarter distribution and administration (D&A) expenses decreased 9% (4Q 2018: LE 92.6 million) and proportional D&A expenses were down by 0.9 percentage points (4Q 2018: 14.1%).

Lecico reported LE 6.1 million in net other operating expenses compared to net other operating income of LE 20.9 million in the first quarter of 2018 which included LE 25.5 million exceptional income for historic gas mispricing. Excluding this exceptional income, Lecico would have reported a net other operating expense of LE 4.6 million in 1Q 2018.

Lecico's EBIT profit decreased 59% to LE 34.4m (1Q 2018: LE 82.9 million). Lecico's EBIT margin decreased 7.3 percentage points to 5.4% (1Q 2018: 12.7%). Excluding the LE 25.5 million exceptional gains in 1Q 2018, Lecico's EBIT profit in 1Q 2019 was down 40% year-on-year. Lecico reported a negative EBIT in 4Q 2018, so the 1Q 19 results are much improved quarter-on-quarter.

Net financing expenses were down 2% year-on-year during the first quarter of 2019 to reach LE 51.1 million compared to LE 51.9 million in the same period in 2018, due to an LE 5.2 million exchange variance loss compared to an exchange variance gain of LE 5.1 million in the same period last year which obscures the reduction in effective rates and interest expenses. Quarter-on-quarter net financing expenses decreased 1% (4Q 2018: LE 51.7 million).

Lecico reported net tax charge of LE 13.7 million versus a tax charge of LE 6.9 million in the first quarter of 2018 due to dividend tax of LE 3.6 million and one of subsidiaries becoming taxable since the beginning of 2019.

Lecico reported net loss LE 28.1 million in the first quarter compared to net profit LE 24.4 million in the same period last year.

Segmental analysis

Sanitary ware

1Q: Sanitary ware sales volumes decreased by 7% (down 82,477 pieces). Local volumes decreased by 15% (down 66,444 pieces), export sales volumes decreased by 2% (down 15,770 pieces), but sales volumes in Lebanon remained at the same level of the first quarter of last year.

Quarter-on-quarter total sales volumes decreased by 10% (down 132,952 pieces). Sales in Egypt decreased by 6% (down 24,133 pieces), export volumes decreased 12% (down 104,718 pieces) and sales in Lebanon decreased by 17% (down 4,100 pieces).

Average sanitary ware prices increased by 1% year-on-year and 9% quarter-on-quarter at LE 316.8 per piece (1Q 2018: LE 313.9 and 4Q 2018: LE 289.7) due to increases in export and local prices and improving mix of products and despite a strengthening Egyptian Pound and an increase proportion of project sales in Egypt.

Revenues were down 6% year-on-year at LE 370.9 million (1Q 2018: LE 393.4 million).

Quarter-on-quarter revenues were down 2% (4Q 2018: LE 377.7 million). The proportional value of export sales volumes was up 2 percentage points quarter-on-quarter (4Q 2018: 77%).

Average cost of sales per piece rose 12% year-on-year at LE 244.6 per piece due to high inflation in Egypt. Quarter-on-quarter, the average cost of sales was up 6% (4Q 2018: LE 230.9 per piece).

Gross profit fell 30% to LE 84.6 (1Q 2018: LE 120.2) and the margin decreased by 7.7 percentage points to 22.8% (1Q 2018: 30.5%). Quarter-on-quarter gross profit increased by 10% (4Q 2018: LE 76.7 million) and the margin increased 2.5 percentage point (4Q 2018: 20.3%).

Sanitary ware segmental analysis	1Q		%
	2019	2018	19/18
Sanitary ware volumes (000 pcs)			
Egypt (000 pcs)	372	438	85%
Lebanon (000 pcs)	20	20	99%
Export (000 pcs)	779	794	98%
Total sanitary ware volumes (000 pcs)	**1,171**	**1,253**	**93%**
Exports/total sales volume (%)	66.5%	63.4%	3.1%
Sanitary ware revenue (LE m)	**370.9**	**393.4**	**94%**
Average selling price (LE/pc)	316.8	313.9	101%
Average cost per piece (LE/pc)	244.6	218.0	112%
Sanitary ware cost of sales	(286.3)	(273.2)	105%
Sanitary ware gross profit	84.6	120.2	70%
Sanitary ware gross profit margin (%)	22.8%	30.5%	(7.7%)

Tiles

1Q: Tile sales volumes decreased 5% year-on-year (down 284,068 square meters) to reach 6 million square meters in the first quarter of 2019. Export volumes grew 56% (up 658,477 square meters), sales volumes in Lebanon increased 58% (up 41,010 square meters), while local sales decreased 20% (down 983,555 square meters).

Quarter-on-quarter sales volumes decreased 7% (down 456,092 square meters). Export volumes grew 66% (up 733,660 square meters), while local sales decreased 22% (down 1.2 million square meters) and Lebanon sales decreased 15% (down 19,930 square meters).

Average net prices rose 7% year-on-year to LE 41 per square meter reflecting the cumulative effect of price increases done in Egypt over the last twelve months and the increase in proportion of sales in export.

Quarter-on-quarter average prices were up 6% (4Q 2018: LE 38.7) due an increased proportion of exports and higher prices in Egypt.

Tiles revenues were up 2% year-on-year at LE 246.4 million in the first quarter of 2019 (1Q 2018: LE 242.1 million).

Quarter-on-quarter revenues were down 2% (4Q 2018: LE 250.3 million).

Average costs are flat year-on-year at LE 35.5 per square meter as increased production and cost saving projects helped offset the high inflation in Egypt over the past twelve months.

Quarter-on-quarter average costs decreased by 5% (4Q 2018: LE 37.1 per square meter).

Gross profit rose 82% to LE 33.3 million (1Q 2018: LE 18.3 million) and the margin increased by 6 percentage points to 13.5% (1Q 2018: 7.5%).

Quarter-on-quarter gross profit increased 230% (4Q 2018: LE 10.1 million) and the margin increased 9.5 percentage points (4Q 2018: 4%).

Tile segmental analysis	1Q		%
	2019	2018	19/18
Tile volumes (000 sqm)			
Egypt (000 sqm)	4,055	5,039	80%
Lebanon (000 sqm)	112	71	158%
Export (000 sqm)	1,844	1,185	156%
Total tile volumes (000 sqm)	**6,011**	**6,295**	**95%**
Exports/total sales volume (%)	30.7%	18.8%	11.8%
Tile revenue (LE m)	**246.4**	**242.1**	**102%**
Average selling price (LE/sqm)	41.0	38.5	107%
Average cost per sqm (LE/sqm)	35.5	35.5	100%
Tile cost of sales	(213.1)	(223.8)	95%
Tile gross profit	33.3	18.3	182%
Tile gross profit margin (%)	13.5%	7.5%	6.0%

Brassware

1Q: Sales volumes for the first quarter 2019 increased by 6% to reach 23,635 pieces (1Q 2018: 22,290 pieces). Quarter-on-quarter sales volumes decreased by 33% (4Q 2018: 35,100 pieces).

Average net prices rose 6% to reach LE 838.3 per piece (1Q 2018: LE 789.6) with the changing mix obscuring some of the price increase done over the period. Quarter-on-quarter prices increased by 4% (4Q 2018: LE 807).

Revenue for the quarter increased 13% year-on-year to reach LE 19.8 million (1Q 2018: LE 17.6 million). Quarter-on-quarter revenues decreased by 30% (4Q 2018: LE 28.3 million). Brassware accounted for 3.1% of the quarter's revenues, compared to 2.7% in the same period last year.

Average cost per piece dropped 3% to LE 539.8 per piece (1Q 2018: LE 557.5 per piece) reflecting changing mix. Quarter-on-quarter average cost per piece increased by 6% (4Q 2018: LE 511.1 per piece).

Gross profit for the quarter increased 36% year-on-year to reach LE 7.1 million (1Q 2018: LE 5.2 million) and the gross margin increased 6.2 percentage points to 35.6% (1Q 2018: 29.4%).

Quarter-on-quarter gross profit decreased by 34% (4Q 2018: LE 10.4 million) and the gross margin dropped 1.1 percentage points (4Q 2018: 36.7%).

Brassware's percentage of consolidated gross profits increased to 5.6% of Lecico gross profits (1Q 2018: 3.6%). Quarter-on-quarter brassware's percentage of consolidated gross profits decreased by 5 percentage point (4Q 2018: 10.7%).

Brassware segmental analysis	1Q		%
	2019	2018	19/18
Brassware volumes (pcs)			
Egypt (pcs)	23,630	21,969	108%
Export (pcs)	5	321	2%
Total brassware volumes (pcs)	**23,635**	**22,290**	**106%**
Exports/total sales volume (%)	0.0%	1.4%	(1.4%)
Brassware revenue (LE m)	**19.8**	**17.6**	**113%**
Average selling price (LE/pc)	838.3	789.6	106%
Average cost per piece (LE/pc)	539.8	557.5	97%
Brassware cost of sales	(12.8)	(12.4)	103%
Brassware ware gross profit	7.1	5.2	136%
Brassware gross profit margin (%)	35.6%	29.4%	6.2%

Financial Position

The value of Lecico's assets decreased by 0.4% at the end of March 31, 2019 to reach LE 2,794.3 million (2018: LE 2,806.5 million) primarily as a result of decrease in cash, receivables and fixed assets during the first quarter of 2019.

Total liabilities increased by 0.4% at LE 1,912 million (2018: LE 1,903.4 million) primarily as a result of the increase in payables during the first quarter of 2019.

Gross debt decreased 1% or LE 10.5 million to reach LE 1,341.5 million compared to LE 1,352.1 million at the end of 2018.

Net debt increased 2% or LE 24.3 million to reach LE 1,189.5 million compared to LE 1,165.2 million at the end of 2018.

Net debt to equity increased by 4.3% to reach 1.38x compared to 1.32x at the end of 2018.

Working capital increased 1% or LE 11 million to reach LE 1,347 million compared to LE 1,336 million at the end of 2018.

Recent developments and outlook

Outlook for 2019: Lecico's revenue is coming under pressure in 2019 with lower volumes in Egypt and export compounded by a significant strengthening of the Egyptian Pound which is reducing our average prices in Export.

Egyptian sales volumes continue to decline with trade sales particularly weak and projects offsetting some of the drop. Lecico is trying to offset this by adding new distributors, offering new lower price offerings in sanitary ware and tile and increasing the team effort to target more projects. At the same time, management is insisting on a strict control of payment terms and on increasing prices which is compounding the pressure on the business. At the time of this writing we are seeing this weakness continue.

In Exports, tiles sales were particularly strong at the start of the year while sanitary ware sales were lower. Tile exports are likely to drop significantly in the coming months due to renewed conflict in Libya. Year-to-date, sanitary ware sales volumes are lower in the UK and with a couple of key OEM customers. Lecico is trying to offset this with a push a for new customers and is developing several key series that will open new customers and market segments for the company but these will likely not come on stream until late 2019 or early 2020. Management is looking for opportunistic sales growth to offset this in the meantime.

All export sales will also face pressure from a stronger Egyptian Pound and weakness in both the Sterling and the Euro against the Dollar. If rates remain at current levels this will reduce Egyptian Pound price in Dollar exports by around 3% and our Euro and Sterling exports by around 10%. The Company is increasing prices in export and the local market by around 5% over the first four months of 2019, but this will only offset part of the loss in pricing.

Expectations are for continued cost pressure as inflation in Egypt – while lower year-on-year – will be affected by further subsidy reductions. The stronger Pound may soften some of this cost inflation, but Lecico will still see a significant increase in costs.

Lecico may benefit from a reduction in interest rates but the speed and magnitude of this are hard to predict. The Company aims to offset inflation with increased production and cost saving initiatives but margins are likely to remain under pressure particularly as lower sales will translate into diseconomies of scale.

Lecico is looking to continue to reduce inventories and customer payment terms to try and continue to stabilize or reduce debt as it did in 2018. The Company expects to move around 7% of its debt from local currency borrowing to lower-cost foreign currency over the course of the first half of 2019 which will help reduce finance costs.

Consequently, profitability in the rest of 2019 will likely remain under pressure from inflation and a lot depends on how large a price increase can be pushed through in Egypt during the year and how the Euro and Sterling perform against the Pound.

Lecico Lebanon restructuring: In order to optimize its cost structure, improve cash flows and unlock asset values, Lecico is implementing an overall strategic restructuring plan for its Lebanese subsidiary. The Lebanese business – faced with a shrinking market and increased competition – has found itself with negative results and cash flows over the past years and it has built up significant stocks of inventories and debt.

The restructuring plan in financial and operational areas envisages a significant reduction in production in Lebanon with plans to significantly reduce inventories over the coming years while moving the majority of production to Egypt. The Company is also doing a full market review to look for opportunities to grow market share in Lebanon over the coming years. In parallel, Lecico Lebanon is looking to sell significant real estate assets surplus to its operational needs in order to unlock cash. Current Lebanese market conditions may not be conducive for a quick sale of this land but some 28,000 sqm of land are now offered in the market for sale and the lands were appraised at a value of just over USD 30 million in late 2016.

Market and economic conditions in Lebanon remain extremely challenging but the company is growing sales year-to-date in tiles with strategic pricing reductions and a new discount structure. Sanitary ware volumes are flat year-on-year but a better mix is delivering revenue growth.

In March, Lecico Lebanon has begun cutting production to the minimum needed for sales and begun reducing its overheads, staff numbers and destocking inventories. Although this has added some cost to the subsidiaries P&L, it has meant the company was cash flow neutral in the first quarter of the year compared to a cash loss of USD 600k in the same period last year. This is expected to improve in the months ahead as the cash costs of restructuring are spent and more of the savings are unlocked.

At the same time, the worsening economic situation in Lebanon has seen interest rates rise about 2 percentage points since the start of the year adding a cash cost on the Company.

The key to a complete restructuring of the Company and a significant cash injection for Lecico as a group is the sale of surplus real estate in Lebanon. Management continues to work on this but current economic and market conditions mean a sale in the foreseeable future is unlikely.

The ultimate outcome of the restructuring plan cannot be estimated yet. Management expects a positive outlook following its implementation. Management intends to present a more detailed view of this restructuring to investors in the coming months and to report on the progress of this restructuring on a quarterly basis in their Results Newsletter.

About Lecico

Lecico (Stock symbols: LCSW.CA; LECI EY) is a leading producer of export-quality sanitary ware in the Middle East and one of the largest tile producers in Egypt, with over 50 years of experience in the industry and decades of experience as an exporter to developed markets.

Lecico benefits from significant cost advantages in labour, energy and investment costs resulting from its economies of scale and location in Egypt and Lebanon. Lecico's marketing strategy is to use its cost advantages to target the mass market with high quality pieces at competitive prices.

Lecico exports over half its sanitary ware production and has a significant presence in the United Kingdom and other European markets. Most of the Company's exports are done under the Lecico brand, although it also produces for a number of leading European brands.

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Forward-looking statements

This release may contain certain "forward-looking statements", relating to the Company's business, which can be identified by the use of forward-looking terminology such as "will", "planned", "expectations", "forecast" or similar expressions, or by discussions of strategy, plans or intentions. Such statements may include descriptions of investments planned or currently under development by the Company and the anticipated impact of these investments. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results that may be expressed or implied by such forward-looking statements.

Lecico Egypt consolidated income statement

Income statement	1Q		%
(LE m)	2019	2018	19/18
Sales	**637.1**	**653.0**	**98%**
Cost of sales	(512.2)	(509.4)	101%
Gross profit	**124.9**	**143.6**	**87%**
Gross margin (%)	19.6%	22.0%	(2.4%)
Distribution expenses	(39.8)	(39.0)	102%
Administrative expenses	(44.6)	(42.6)	105%
Other Operating income	4.0	31.0	13%
Other Operating expenses	(10.1)	(10.1)	101%
Operating profit (EBIT)	**34.4**	**82.9**	**42%**
Operating (EBIT) margin (%)	5.4%	12.7%	(7.3%)
Investment revenues	2.5	0.0	-
Finance income	1.0	6.3	16%
Finance expense	(52.1)	(58.2)	90%
(Loss) Profit before tax and minority (PBTM)	**(14.1)**	**31.0**	**-**
PBTM margin (%)	-	4.8%	-
Income tax	(13.4)	(11.2)	119%
Deferred tax	(0.3)	4.4	-
Net (Loss) Profit after tax (NPAT)	**(27.8)**	**24.2**	**-**
NPAT margin (%)	-	3.7%	-
Minority interest	(0.2)	0.2	-
Net (Loss) Profit	**(28.1)**	**24.4**	**-**
Net profit margin (%)	-	3.7%	-

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	31-Mar-19	31-Dec-18	19/18 (%)
Cash and short-term investments	152.0	186.9	81%
Inventory	1134.0	1087.2	104%
Receivables	748.9	765.1	98%
Related parties -debit balances	22.7	23.1	99%
Total current assets	**2,057.7**	**2,062.2**	**100%**
Net fixed assets	650.1	676.8	96%
Intangible assets	31.7	31.8	100%
Projects in progress	26.3	6.2	425%
Available for sale investments	12.9	13.4	97%
Long-term notes receivable	16.2	16.2	100%
Total non-current assets	**737.3**	**744.4**	**99%**
Total assets	**2,795.0**	**2,806.5**	**100%**
Banks overdraft	1233.0	1332.0	93%
Current portion of long-term liabilities	35.8	20.0	179%
Trade and notes payable	210.5	191.4	110%
Other current payable	324.8	324.9	100%
Related parties -credit balances	2.1	1.6	128%
Provisions	0.4	0.8	49%
Total current liabilities	**1,806.5**	**1,870.8**	**97%**
Long-term loans	72.7	0.0	-
Provisions	9.1	9.3	97%
Deferred tax	23.7	23.4	101%
Total non-current liabilities	**105.5**	**32.7**	**323%**
Total liabilities	**1,912.0**	**1,903.4**	**100%**
Minority interest	**17.1**	**22.8**	**75%**
Issued capital	400.0	400.0	100%
Reserves	440.7	573.4	77%
Retained earnings	53.1	21.3	249%
Net (Loss) Profit for the period/year	(28.1)	(114.3)	25%
Total equity	**865.8**	**880.4**	**98%**
Total equity, minorities and liabilities	**2,795.0**	**2,806.5**	**100%**

Lecico Egypt consolidated cash flow

Cash flow statement	FY		%
(LE m)	2019	2018	19/18
Cash Flow from operating activities			
Net (Loss) profit for the period	(28.1)	24.4	-
Depreciation and translation adjustment	30.1	25.6	117%
Intangible assets amortization and translation adjustment	0.4	(0.4)	-
Income tax expense	13.4	11.2	119%
Income tax paid	(5.8)	(3.2)	183%
Deferred income tax	0.3	(4.4)	-
Capital gains	0.0	(0.0)	0%
Provided provisions and translation adjustment	0.6	7.1	8%
Reversal of expired provision	(0.0)	(0.0)	49%
Employee share in net profit	14.3	9.0	159%
Increase (Decrease) in minority interest	(5.6)	1.4	-
Increase (Decrease) in translation reserve	13.5	10.4	130%
(Increase) Decrease in Inventory	(46.4)	(49.2)	94%
(Increase) Decrease in Receivables	19.5	(68.0)	-
Increase (Decrease) in Payables	(2.5)	44.3	-
Utilized Provisions	(4.7)	(14.2)	33%
Difference result from discounting of long term notes receivables	0.5	(1.0)	-
Net cash from operating activities	**(0.3)**	**(6.9)**	**5%**
Cash flow from investing activities			
Additions to fixed assets and projects	(23.4)	(26.6)	88%
Intangible assets	(0.4)	(0.0)	-
Net change in available for sale investments	0.4	0.1	627%
Proceeds from sales of fixed assets	(0.0)	0.0	-
Increase (Decrease) in long-term notes receivable	(0.6)	3.5	-
Net cash from investing activities	**(23.9)**	**(23.1)**	**104%**
Cash flow from financing activities			
Increase (Decrease) in long-term loans	72.7	(5.0)	-
Increase (Decrease) in current portion of long term liabilities	15.8	(6.8)	-
Net cash from financing activities	**88.5**	**(11.8)**	**-**
Net change in cash & cash equivalent during the period	**64.2**	**(41.7)**	**-**
Net cash and cash equivalent at beginning of the period	(1,145.2)	(1,129.2)	101%
Net cash and cash equivalent at the end of the period	**(1,080.9)**	**(1,170.9)**	**92%**