



## **First Quarter 2025 Results**

### **Solid profit from operations despite market weakness**

**Alexandria, 15<sup>th</sup> May 2025** – Lecico Egypt announces its consolidated results for the first quarter of 2025, Revenue was up 22% to LE 1,690.6 million. The Company reported an operating profit (EBIT) of LE 197.5 million compared to an operating profit of LE 321.7 million in 1Q 2024. Lecico reported a net profit of LE 92.4 million compared to a net profit of LE 477.5 million in the same period last year.

**Lecico Egypt Chairman, Gilbert Gargour commented**, “I am pleased to report solid results for the first quarter in the face of falling sales as markets feel the pressure of high interest rates on demand coupled with confusion over global trade.

“We remain optimistic we will see demand recover this year on the back of significant declines in inflation and interest rates across our markets. Meanwhile, global trade – and our exports – faced uncertainty as the US announced a radical change in tariffs. There could be interesting long-term opportunities for Lecico, but the situation will need to stabilize.”

**Taher Gargour, Lecico Egypt CEO, added**, “Our first quarter results are solid considering the reduction in sales volumes and production. We need markets to start growing. This is expected as inflation and interest rates continue to drop this year although this story has been confused by the trade discussions started by the new US administration.

“Lecico is working to expand its market reach and offer. In the last year, we have introduced a range of new sanitary ware products to expand our offer in mid and high range segments. In 2025, we will further add to this offer and introduce porcelain tiles.

“From a cash flow perspective, we saw a considerable increase in net debt over the quarter as large investments and a change in payment terms with one of our large customers demanded more financing. We should see this negative cash flow trend reverse in the second half of the year.

“The first quarter shows some of the pressures on margins from cost inflation and weak demand. I am pleased to see quarter-on-quarter stability in our results despite a further squeeze on volumes.

“Our view for the year remains more positive, we are hopeful that global macroeconomics will start to improve over the course of the year. As always, we will continue to work hard to preserve and build on the strong improvement in our financial results in the year ahead whatever the operating environment.”

**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 other European brands.

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**Forward-looking statements**

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