

Lecico

Third Quarter 2024 Results

Top line growth drives record result in core operations

Alexandria, 13th November 2024 – Lecico Egypt announces its consolidated results for the third quarter of 2024. Revenue was up 58% to LE 1,925.5 million. The Company reported an operating profit (EBIT) of LE 350.5 million compared to an operating profit of LE 199.3 million in 3Q 2023. Lecico reported a net profit of LE 227.8 million compared to a net profit of LE 78.6 million in the same period last year.

For the first nine months, revenue was up 34% to LE 4,860.1 million. The Company reported an operating profit (EBIT) of LE 973.6 million compared to an operating profit of LE 780.2 million in the first nine months of 2023. Lecico reported a net profit of LE 855.7 million compared to a net profit of LE 335.5 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to report our strongest quarter this year in terms of core operations performance. The improvement came from increased production and the benefits of the devaluation increasing both our revenue and our margins.

“Looking ahead we have reason to be optimistic about the macro picture for both Egypt and our export markets, but this is expected to be felt in our industry late in the coming year. In the meantime, I expect a healthy fourth quarter and some of the best numbers Lecico has ever seen for the year as whole.”

Taher Gargour, Lecico Egypt CEO, added, “I am pleased to report continued strong performance with record profit values in the quarter despite some cost pressure on margins.

“Although markets remain soft, sales volumes were improved quarter-on-quarter. Production volumes for the quarter were the highest in a year which helped unlock some economies of scale.

“Over the course of 2024, Lecico has been able to reduce its net debt by 39% in absolute terms despite the 60% devaluation that occurred in March. This is a testament to the work of the entire team at Lecico. We have done this while increasing our investment spending in machinery and equipment.

“As we look ahead to the fourth quarter and the year ahead, I believe we will continue to deliver healthy numbers despite inflationary head winds. We are coming into 2025 with most markets depressed by inflation and high costs of money, but we are hopeful that this will start to improve over the course of the coming 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 changes in 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.

For additional information, please contact:

Taher G. Gargour

Telephone: +203 518 0011

Fax: +203 518 0029

Visit our website at: www.lecico.com

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