



Leccio

An Egyptian Exporter

1H 2022 Results Presentation

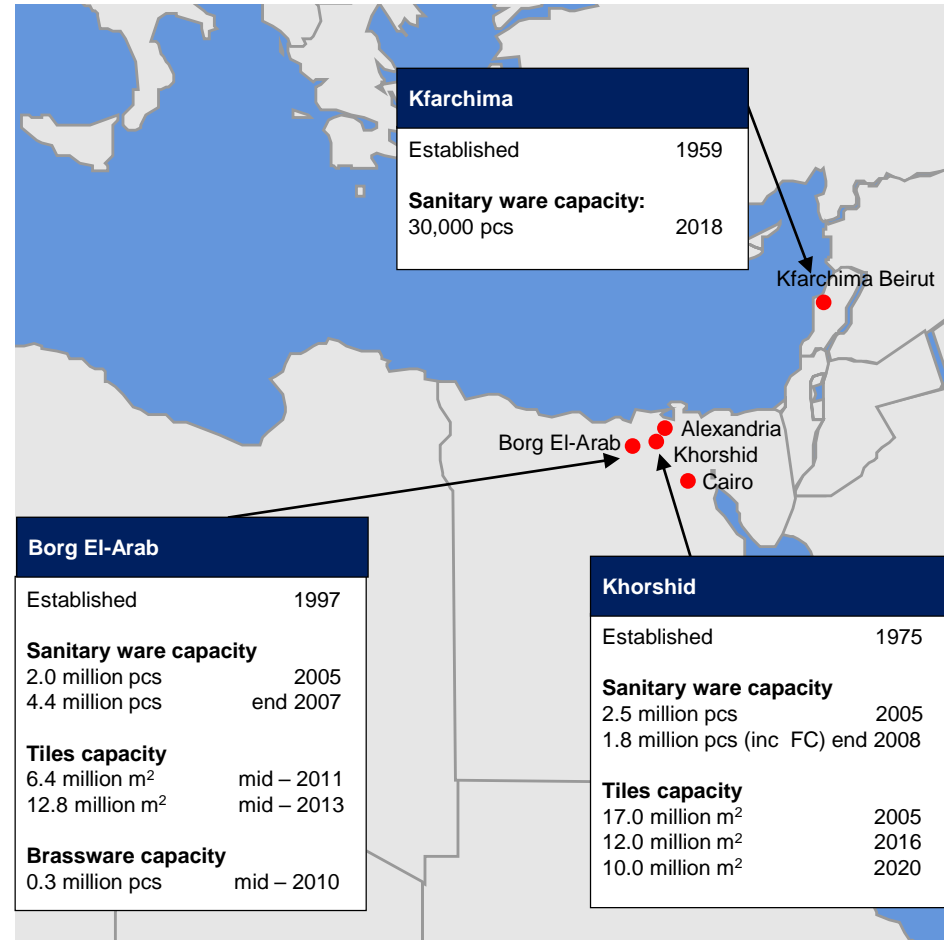
August 2022



Corporate Summary

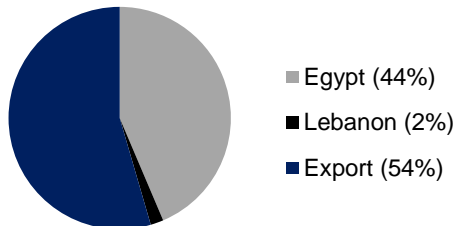
Introduction: An Egyptian exporter

- Lecico Egypt S.A.E. was founded in 1959 and has been majority owned by the Gargour family since 1969
- The company has a global competitive advantage making European quality sanitary ware at Egyptian costs
- c45% of Lecico’s sanitary ware sales volume is exported to Europe
- Lecico finished expansions in sanitary ware in 2007 which boosted capacity to 6.2m pieces of sanitary ware and fired clay
- In Summer 2010, Lecico began brassware production with a 300,000 piece per annum capacity factory
- In 2011 Lecico opened a new tile factory in Borg El Arab
- In 2016, Lecico took the step to reduce production capacities in Egyptian tiles and Lebanese sanitary ware
- In 2018, Lecico began restructuring Lebanon. Reducing capacity to 30k pieces per annum maximum.
- In 2020, Lecico reduced tile production a further 2m sqm per annum

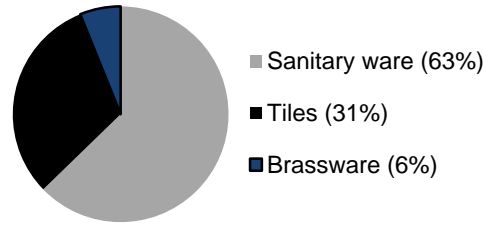


* All production facilities are owned and controlled by Lecico

Split Sales revenue by region



Split Sales revenue



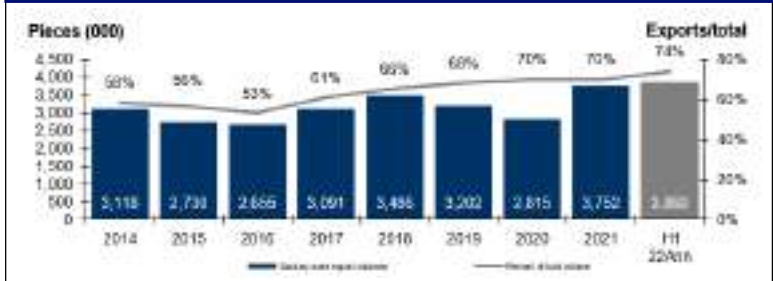


A major sanitary ware exporter

A major sanitary ware exporter to Europe

Growth in group's exports

Lecico's total export volumes (sanitary ware)



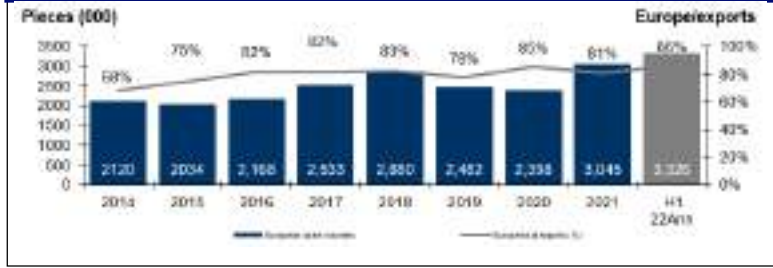
- Sanware exports began to grow from 2H 2020 with a demand boom in Europe...
- ...supported by Lecico efforts to get new customers

Egypt's leading sanitary ware exporter

- Lecico exports over 80% of its sanitary ware sales value and over 74% of volume vs. 20% for local peers (1H 22)
- Lecico sells to over 50 countries (including OEM sales)
- Approximately 36% of sanitary ware exports are for other brands
- Expecting sanitary ware exports proportion of sales volume and value continue to rise in 2022

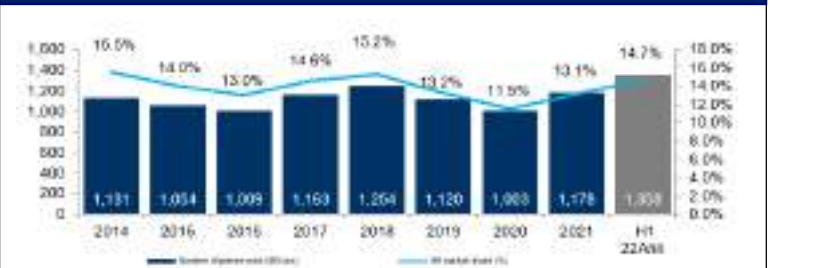
Export focus on Europe

Europe as percentages of total exports



- Exports to Europe have increased by around 9% in H1 2022. Although the increase in sales to Europe was partially offset by less sales to Africa and the Middle East

Growth of Lecico brand sanitary ware market share in UK



- UK estimated c15% market share in Lecico-branded and white label sales in the UK
- In addition Lecico does around 1% further sales in OEM

Significant cost advantage



International cost advantage

Lecico produces sanitary ware at an all-in average cost of US\$16.90/piece (1H 2022)

- In Egypt (without costs of subsidiaries/consolidation) manufacturing cost averages US\$13.74/piece of sanware (1H 2022)
- Our information suggests other low cost producers' manufacturing cost averages US\$15-30/piece
- While European producers average US\$30+/piece depending on their market

Why is Lecico able to produce so competitively?

- **Egypt:** Reasonable energy costs, low labour cost, low investment costs
- **Size:** Economies of scale, standard global plant size: 1m pieces
- **Experience:** Over 50 years manufacturing experience
- **Efficiency:** Production per employee is over twice that of our local competitors

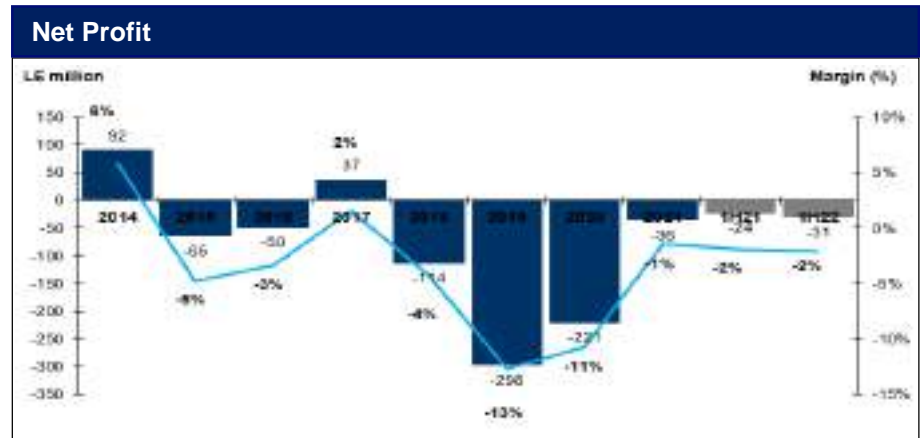
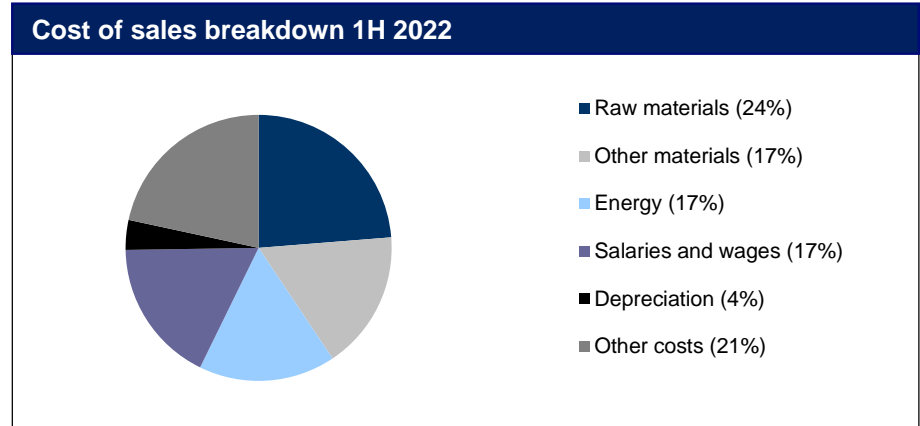
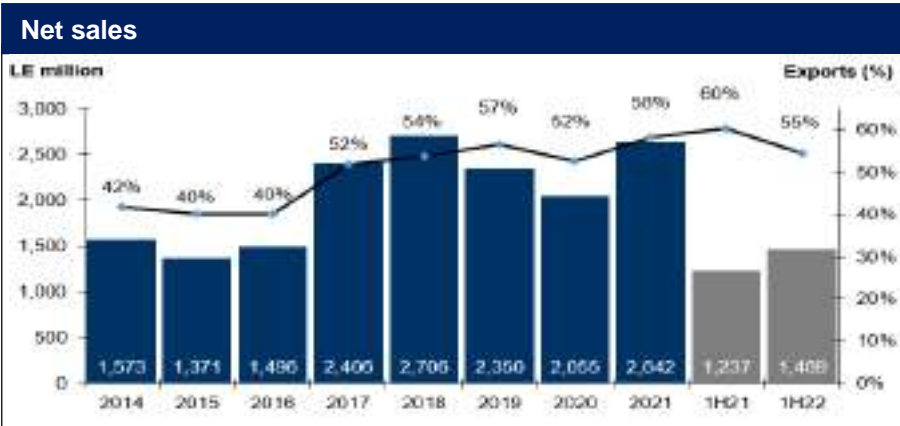
Investment, distribution and overheads benefit from regional economies of scale

- Sanitary ware investment cost approx. US\$30-40/piece vs. US\$35-55/piece global standard
- Low shipping cost to Europe: US\$3 per sanitary ware piece vs. approx. US\$6+ for Asian manufactures



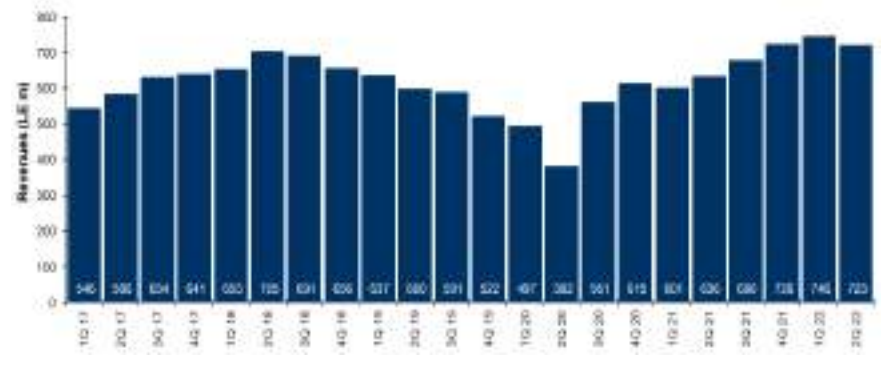
Financial Overview

Profit and loss

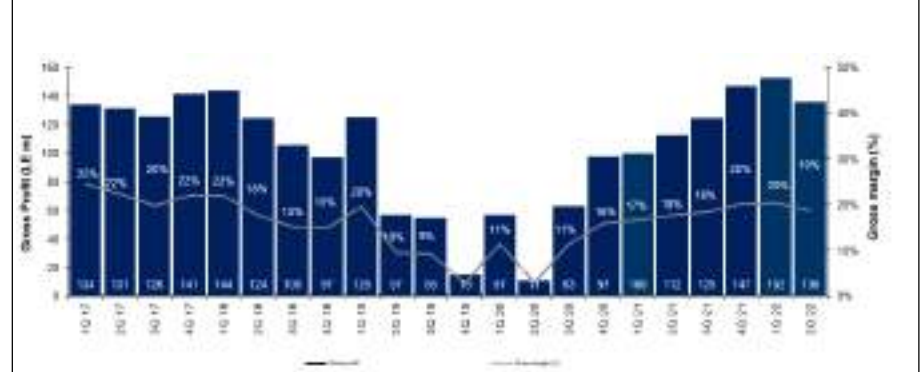


Quarterly P&L Trends

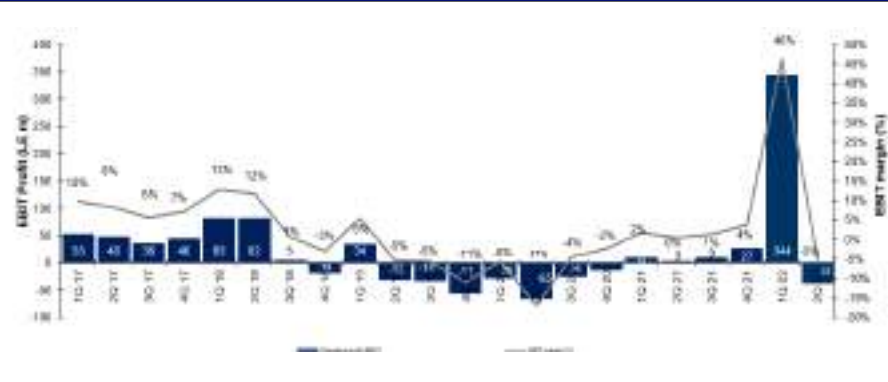
Net sales



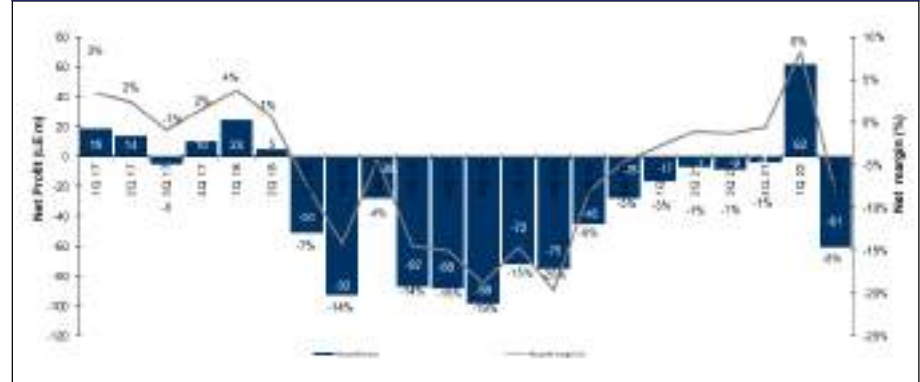
Gross profit



EBIT



Net Profit



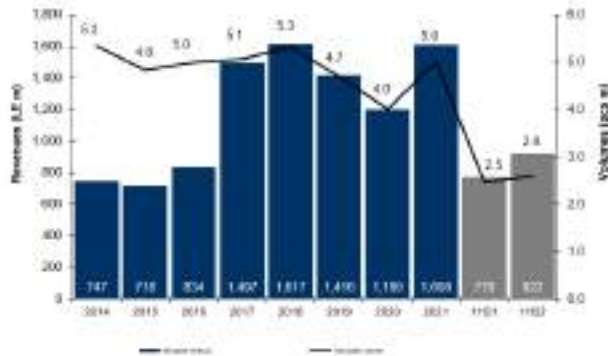
P&L Breakdown by Quarter



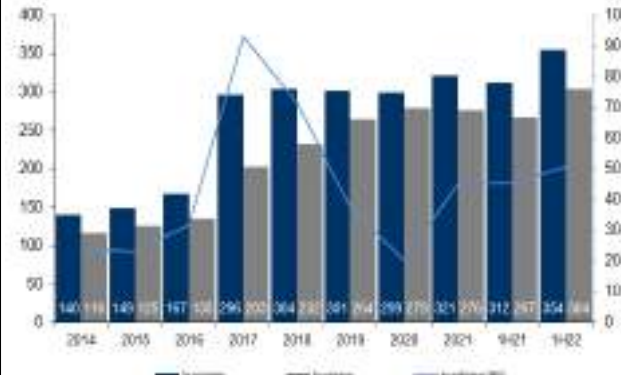
Lecico Group Profit & Loss (LE Million)	2019				2020				2021				2022		2017	2018	2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	FY	FY	FY	FY	FY
Sanitary Ware	370.9	380.6	357.7	306.9	305.5	213.1	334.3	345.9	358.2	411.9	429.5	408.2	430.6	490.9	1,497.3	1,617.2	1,416.1	1,198.7	1,607.8
Tiles	246.4	202.8	212.3	194.9	175.2	157.0	205.1	245.0	216.4	201.2	210.6	268.1	262.1	195.6	830.7	1,002.4	856.4	782.3	896.3
Brassware	19.8	16.1	20.8	20.5	15.9	11.9	22.0	24.4	25.9	22.9	30.5	49.9	52.0	36.8	78.5	86.0	77.2	74.2	138.1
Net Revenues	637.1	599.5	590.8	522.3	496.5	382.0	561.4	615.3	600.5	636.0	679.6	726.1	745.5	723.3	2,406.5	2,705.5	2,349.8	2,055.2	2,642.2
Cost of Sales	512.2	542.4	536.1	507.4	430.4	370.7	498.1	517.9	500.7	523.8	555.1	579.3	593.2	587.5	1,874.5	2,260.7	2,098.1	1,826.0	2,158.9
Gross Profit	124.9	57.1	54.7	15.0	57.1	11.4	63.3	97.4	99.8	112.2	124.5	146.8	152.3	135.7	531.9	444.9	251.7	229.2	483.3
% of Sales	20%	10%	9%	3%	11%	3%	11%	16%	17%	18%	18%	20%	20%	19%	22%	16%	11%	11%	18%
Selling expenses	39.8	34.8	35.5	31.6	32.0	26.4	33.1	34.9	46.2	47.1	44.1	48.7	40.2	55.7	146.6	157.3	141.7	126.4	186.1
Administration expenses	50.7	54.4	52.8	50.2	53.3	46.4	55.4	76.4	58.8	62.1	71.1	70.8	72.6	93.2	203.4	213.4	208.1	231.5	262.8
Overheads	90.5	89.2	88.3	81.8	85.3	72.8	88.6	111.3	104.9	109.1	115.2	119.6	121.7	148.9	350.1	370.7	340.8	357.9	448.9
% of Sales	14%	15%	15%	16%	17%	20%	16%	18%	17%	17%	17%	16%	16%	21%	15%	14%	15%	17%	17%
Operating Profit (EBIT) without exceptional	34.4	(32.1)	(33.6)	(66.8)	(28.2)	(61.4)	(25.3)	(13.9)	(5.1)	3.0	9.3	27.2	30.6	(13.1)	181.9	74.2	(98.0)	(128.8)	34.4
% of Sales	5%	-	-	-	-	-	-	-	-	0%	1%	4%	4%	-	8%	3%	-	-	1%
Exceptional gain (loss)	-	-	-	9.8	-	4.9	4.5	-	13.11	-	-	-	-	(24.0)	-	76.4	9.8	9.4	13.1
Net Financial Expenses	(45.9)	(47.2)	(47.5)	(38.8)	(35.6)	(23.8)	(29.8)	(16.4)	(10.4)	(11.3)	(11.3)	(8.8)	(15.0)	(29.4)	(152.5)	(219.6)	(179.3)	(105.7)	(41.8)
Dividend Income	2.5	(0.0)	2.4	(0.1)	0.0	0.0	0.0	0.0	1.1	(0.0)	(0.0)	0.8	0.0	0.0	6.4	5.1	4.8	0.0	1.9
Exchange Variances	(5.2)	(4.4)	(3.6)	(2.4)	(4.4)	9.5	11.7	10.3	(0.4)	13.2	7.5	5.0	36.9	26.8	16.3	(8.6)	(15.6)	27.1	25.3
Profit before tax	(14.1)	(85.6)	(82.5)	(98.3)	(68.2)	(70.8)	(38.9)	(20.1)	(1.6)	5.0	5.4	24.2	51.6	(39.7)	52.1	(72.4)	(278.4)	(198.0)	32.9
% of Sales	-	-	-	-	-	-	-	-	-	1%	1%	3%	7%	-	2%	-	-	-	1%
Taxes & minorities	(13.9)	(3.3)	(5.7)	3.0	(3.9)	(4.2)	(6.4)	(8.2)	(15.1)	(11.8)	(14.1)	(28.3)	(23.3)	(20.8)	(14.8)	(42.0)	(19.9)	(22.7)	(69.3)
Net Profit after tax	(28.1)	(86.9)	(88.1)	(95.3)	(72.1)	(75.0)	(45.3)	(28.2)	(16.7)	(6.8)	(8.6)	(4.1)	29.3	(60.6)	37.2	(114.3)	(298.3)	(220.6)	(36.4)
% of Sales	-	-	-	-	-	-	-	-	-	-	-	-	4%	-	2%	-	-	-	-

Key Segmental Analysis

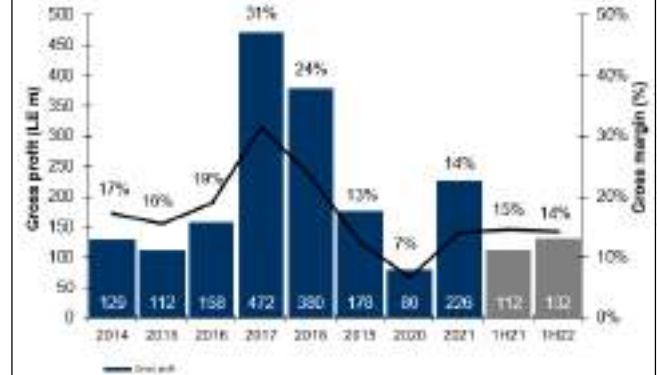
Sanitary ware – sales volumes and revenue



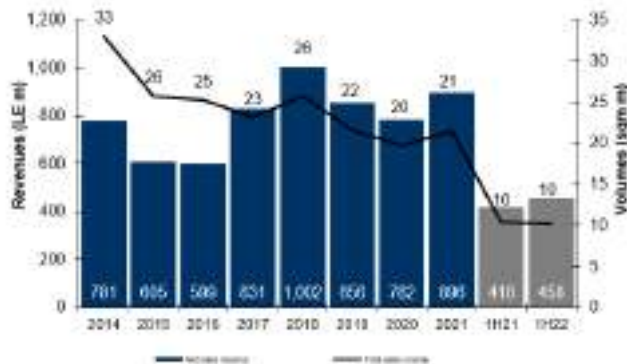
Sanitary ware – selling price and cost per piece



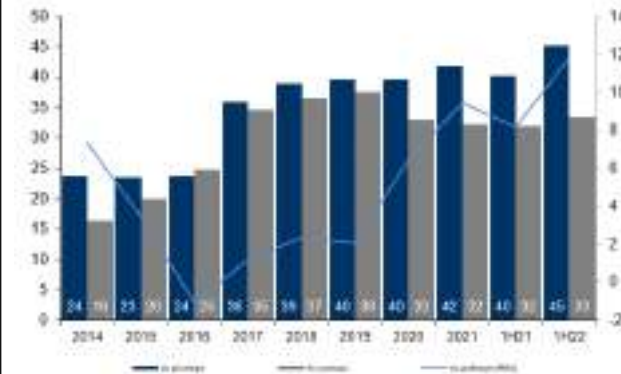
Sanitary ware – gross profit and margin



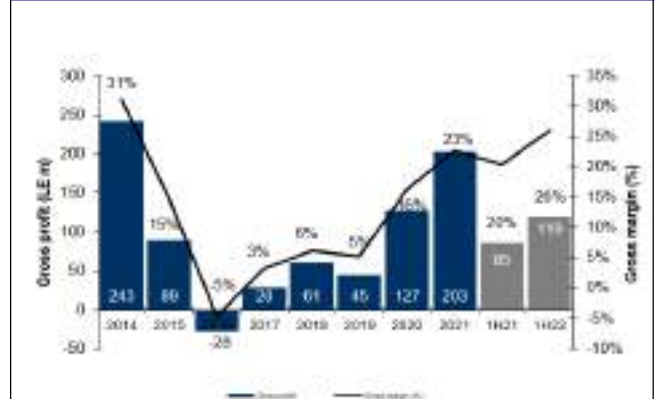
Tiles – sales volumes and revenues



Tiles – selling price and cost per sqm

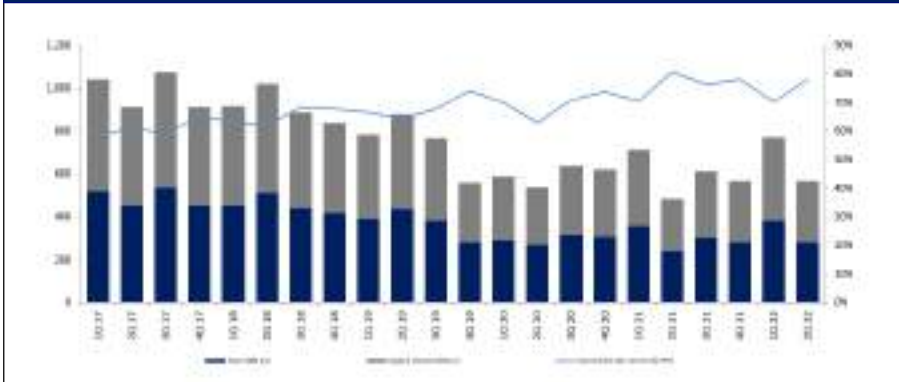


Tiles – gross profit and margin

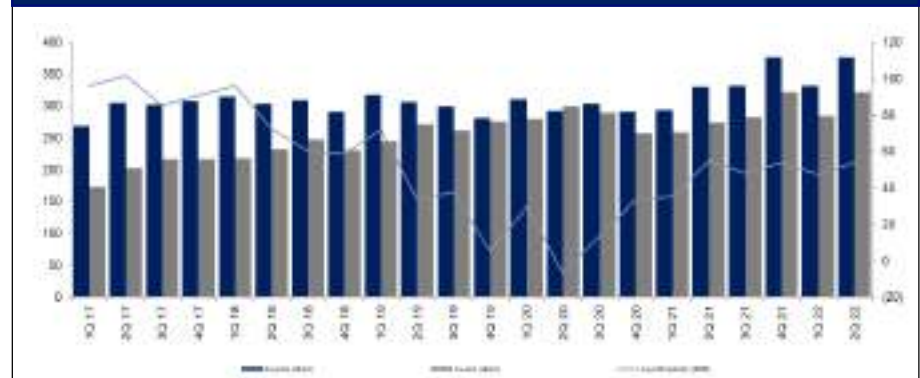


Quarterly Key Segmental Trends

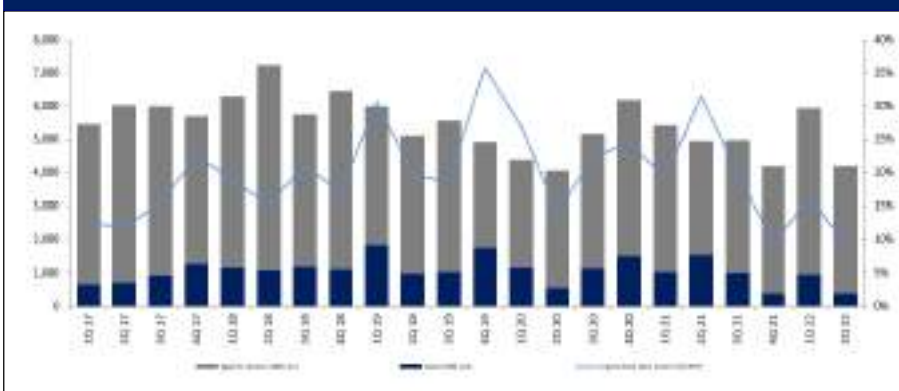
Sanitary ware sales volumes



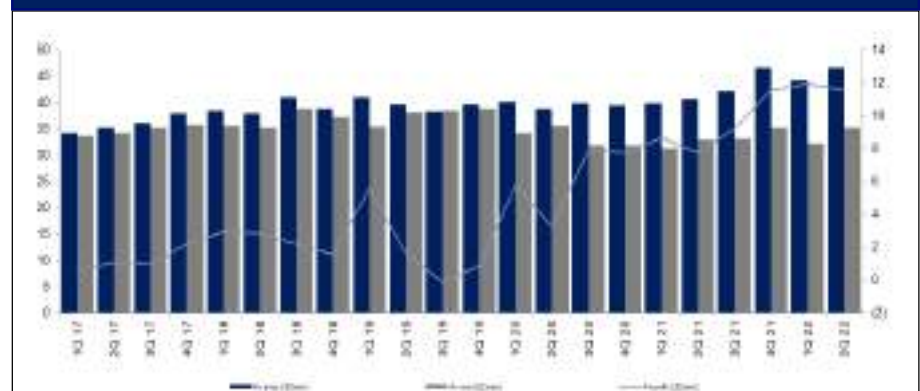
Sanitary ware average price and cost



Tiles sales volumes



Tile average price and cost





All Segmental Breakdowns by Quarter

Lecico Group Sanitary Ware Analysis	2019				2020				2021				2022		2017	2018	2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	FY	FY	FY	FY	FY
Volume (000's pieces)																			
Egypt	372	386	359	272	256	256	301	300	354	235	295	339	375	277	1,825	1,728	1,389	1,113	1,224
Lebanon	20	55	24	9	39	13	19	12	4	7	11	12	11	8	146	106	108	83	34
Exports	779	805	811	807	691	460	785	879	861	1,008	991	892	910	1,019	3,091	3,486	3,202	2,815	3,752
Total Volume	1,171	1,246	1,194	1,089	986	729	1,105	1,191	1,220	1,250	1,298	1,243	1,296	1,304	5,061	5,321	4,699	4,010	5,010
Average Selling Price	316.8	305.6	299.6	281.8	309.8	292.4	302.5	290.5	293.7	329.6	331.1	328.4	332.2	376.4	295.8	303.9	301.4	298.9	320.9
Revenue	370.9	380.6	357.7	306.9	305.5	213.1	334.3	345.9	358.2	411.9	429.5	408.2	430.6	490.9	1,497.3	1,617.2	1,416.1	1,198.7	1,607.8
Cost of Sales	286.3	338.4	312.8	301.0	276.1	217.8	319.0	305.8	315.3	342.9	367.4	356.0	369.1	420.5	1,025.7	1,262.4	1,238.6	1,118.7	1,381.5
Average Cost Per Piece	244.6	271.7	262.0	276.4	280.1	298.8	288.7	256.9	258.5	274.4	283.1	286.4	284.7	322.4	202.7	237.3	263.6	279.0	275.8
Gross Profit	84.6	42.2	44.9	5.9	29.3	(4.7)	15.3	40.1	43.0	69.0	62.2	52.2	61.5	70.4	471.6	354.8	177.6	80.0	226.3
Gross Profit Margin	23%	11%	13%	2%	10%	-2%	5%	12%	12%	17%	14%	13%	14%	14%	31%	22%	13%	7%	14%

Lecico Group Tile Analysis	2019				2020				2021				2022		2017	2018	2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	FY	FY	FY	FY	FY
Volume (000's sqm)																			
Egypt	4,055	3,935	4,331	2,988	3,153	3,360	3,888	4,591	4,363	3,314	3,936	4,523	4,912	3,728	18,994	20,666	15,309	14,993	16,136
Lebanon	112	183	190	174	48	120	114	84	18	88	45	34	60	64	558	478	660	366	186
Exports	1,844	995	1,042	1,761	1,184	568	1,151	1,519	1,046	1,558	1,005	1,541	961	397	3,618	4,611	5,642	4,422	5,151
Total Volume	6,011	5,113	5,564	4,924	4,386	4,048	5,153	6,194	5,427	4,961	4,986	6,099	5,933	4,190	23,171	25,755	21,611	19,781	21,472
Average Selling Price	41.0	39.7	38.2	39.6	39.9	38.8	39.8	39.6	39.9	40.6	42.2	44.0	44.2	46.7	35.9	38.9	39.6	39.5	41.7
Revenue	246.4	202.8	212.3	194.9	175.2	157.0	205.1	245.0	216.4	201.2	210.6	268.1	262.1	195.6	830.7	1,002.4	856.4	782.3	896.3
Cost of Sales	213.1	194.6	213.2	190.8	150.0	143.8	164.3	197.1	169.5	163.0	164.7	196.4	191.3	147.2	803.0	941.4	811.8	655.2	693.6
Average Cost Per sqm	35.5	38.1	38.3	38.8	34.2	35.5	31.9	31.8	31.2	32.9	33.0	32.2	32.2	35.1	34.7	36.6	37.6	33.1	32.3
Gross Profit	33.3	8.2	(0.9)	4.1	25.2	13.2	40.8	47.9	46.9	38.2	45.8	71.7	70.8	48.4	27.7	61.0	44.7	127.1	202.7
Gross Profit Margin	14%	4%	0%	2%	14%	8%	20%	20%	22%	19%	22%	27%	27%	25%	3%	6%	5%	16%	23%

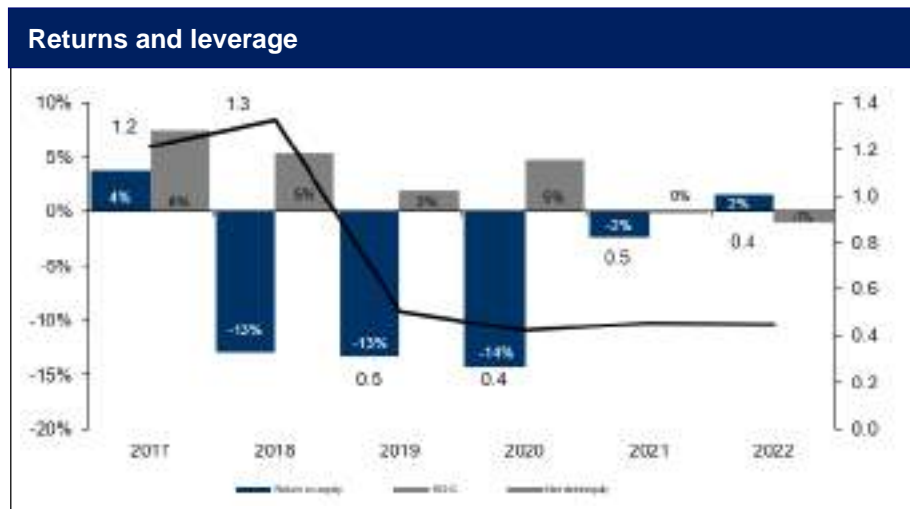
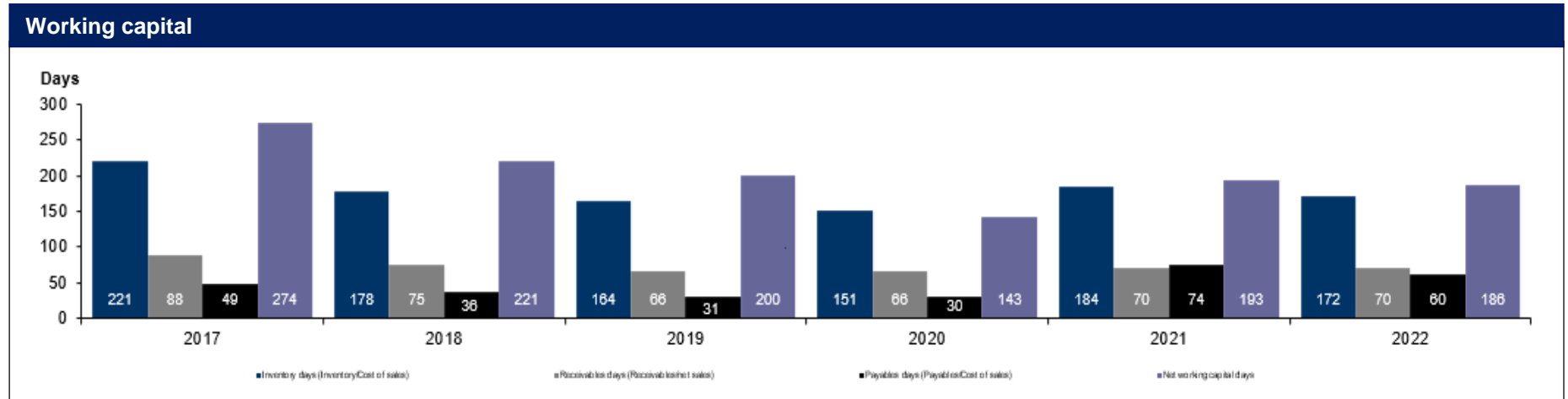
Lecico Group Brassware Analysis	2019				2020				2021				2022		2017	2018	2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	FY	FY	FY	FY	FY
Volume (pieces)																			
Egypt	23,630	15,973	22,028	21,302	18,288	17,228	23,857	27,150	26,524	20,774	42,380	59,915	63,922	29,580	108,471	106,371	82,933	86,523	149,593
Exports	5	5	2	0	0	0	0	0	0	0	345	0	0	0	160	1,940	12	0	345
Total Volume	23,635	15,978	22,030	21,302	18,288	17,228	23,857	27,150	26,524	20,774	42,725	59,915	63,922	29,580	108,631	108,311	82,945	86,523	149,938
Average Selling Price	838.3	1,007.5	945.4	962.8	868.2	690.9	923.3	898.5	974.6	1,101.8	924.2	832.5	827.3	1,243.9	722.5	793.6	931.3	857.6	921.1
Revenue	19.8	16.1	20.8	20.5	15.9	11.9	22.0	24.4	25.9	22.9	39.5	49.9	52.9	36.8	78.5	86.0	77.2	74.2	138.1
Cost of Sales	12.8	9.4	10.1	15.5	13.3	9.1	14.9	15.0	15.9	18.0	23.0	27.0	32.9	19.9	45.9	56.9	47.7	52.2	83.8
Average Cost Per Piece	539.8	588.6	458.1	727.3	724.9	526.7	623.1	551.2	600.4	865.1	537.7	449.9	514.2	671.7	422.4	524.9	575.7	602.9	559.1
Gross Profit	7.1	6.7	10.7	5.0	2.6	2.8	7.2	9.4	9.9	4.9	16.5	22.9	20.0	16.9	32.6	29.1	29.5	22.0	54.3
Gross Profit Margin	36%	42%	52%	24%	17%	24%	33%	39%	38%	21%	42%	46%	38%	46%	42%	34%	38%	30%	39%

Balance Sheet by Quarter



Balance Sheet (LE m)	2015	2016	2017	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2022	2022
	1Q	1Q	1Q	1Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Cash and short-term investments	168.0	377.4	261.3	186.9	153.6	148.5	133.0	129.0	231.6	216.7	179.2	119.4	154.7	155.8	145.3	177.1	296.0	285.0
Inventory	701.0	889.8	1133.8	1087.2	1149.2	1088.4	1014.6	945.0	927.5	894.0	798.2	833.7	870.5	965.3	996.8	976.5	1023.2	1090.9
Receivables	496.7	690.7	744.3	765.1	730.9	742.0	697.3	655.5	693.8	675.0	660.4	626.8	685.7	756.8	751.2	667.0	759.5	808.7
Related parties -debt balances	62.2	66.3	38.7	23.1	22.7	31.5	29.5	19.4	23.8	10.6	6.1	4.0	(0.0)	0.0	0.0	1.3	0.0	0.3
Current Assets	1,427.9	2,024.2	2,178.0	2,062.2	2,056.4	2,010.3	1,874.4	1,748.9	1,876.8	1,796.3	1,643.9	1,583.8	1,710.8	1,877.9	1,893.3	1,822.0	2,078.8	2,184.9
Non-Current Assets	730.9	769.8	782.1	744.4	737.3	727.5	713.6	3385.1	2019.4	1635.6	1683.7	1669.1	1645.5	1626.5	1610.7	1603.0	1614.7	1876.3
Total Assets	2,158.8	2,794.0	2,960.1	2,806.5	2,793.7	2,737.8	2,588.1	4,134.0	3,896.2	3,431.9	3,327.6	3,252.9	3,356.3	3,504.4	3,504.0	3,424.9	3,693.5	4,061.2
Banks Overdraft	826.7	1204.4	1390.5	1332.0	1233.0	1368.3	1234.9	1186.2	1123.5	1070.0	850.2	717.2	743.9	865.9	881.7	823.9	905.8	1058.7
Current portion of long-term liabilities	37.7	47.3	46.6	20.0	35.8	31.7	26.8	22.1	21.3	21.8	83.4	86.1	85.5	90.0	35.4	24.5	33.3	35.8
Trade & other payables	357.3	438.1	464.9	518.7	537.7	445.3	531.9	552.2	587.1	616.2	729.8	824.8	921.0	925.2	788.9	753.2	854.2	793.9
Total Current Liabilities	1,221.7	1,689.8	1,902.0	1,870.8	1,806.5	1,845.4	1,793.6	1,760.5	1,731.8	1,708.0	1,663.4	1,628.0	1,750.4	1,881.1	1,706.1	1,601.7	1,793.4	1,888.5
Long-term loans	60.0	67.3	20.0	0.0	72.7	64.9	58.6	52.9	47.3	45.5	39.7	34.9	30.1	25.2	20.4	25.0	22.9	17.8
Other long-term liabilities	0.3	0.0	0.0	0.0	0.0	4.9	5.0	3.8	3.8	3.2	2.3	2.3	1.2	26.2	215.0	233.4	254.7	277.7
Provisions	9.8	10.7	10.6	9.3	9.1	8.7	8.6	8.5	8.4	8.5	6.7	6.7	7.8	8.2	9.0	8.4	10.0	11.0
Deferred tax	30.6	25.8	22.8	23.4	23.8	24.6	24.6	23.0	23.3	22.6	22.5	14.9	13.6	13.1	11.9	13.4	12.8	11.0
Total Non-Current Liabilities	100.8	103.8	53.4	32.7	105.6	103.2	96.7	88.2	82.7	79.8	71.3	58.8	52.6	72.7	256.2	280.2	300.4	317.5
Total Liabilities	1,322.4	1,793.6	1,955.4	1,903.4	1,912.1	1,948.5	1,890.3	1,848.7	1,814.5	1,787.8	1,734.7	1,686.8	1,803.1	1,953.9	1,962.3	1,881.9	2,093.8	2,206.0
Minority Interest	5.8	5.2	18.7	22.8	20.3	15.7	16.6	46.9	28.4	29.9	28.6	30.0	35.3	36.4	30.9	35.2	32.8	41.6
Total Equity	830.6	995.1	986.1	880.4	861.3	773.6	681.2	2238.4	2053.3	1614.2	1564.3	1536.1	1518.0	1514.1	1510.8	1507.9	1566.9	1813.6
Total Equity, Minorities and Liabilities	2,158.8	2,794.0	2,960.1	2,806.5	2,793.7	2,737.8	2,588.1	4,134.0	3,896.2	3,431.9	3,327.6	3,252.9	3,356.3	3,504.4	3,504.0	3,424.9	3,693.5	4,061.2
Receivables Days	98	130	88	74	77	75	66	66	66	68	66	66	69	69	70	70	72	70
Payables days	36	49	36	31	37	30	32	30	33	37	51	74	90	87	56	60	60	56
Inventory Days	227	242	221	178	205	188	175	164	167	176	147	151	168	173	173	184	166	172
Gross Debt	924	1319	1457	1352	1342	1465	1318	1258	1190	1135	909	763	788	910	926	863	951	1100
Gross Debt / Equity	1.11	1.33	1.48	1.54	1.56	1.89	1.93	0.56	0.58	0.70	0.58	0.50	0.52	0.60	0.61	0.57	0.61	0.61
Net Debt	756	942	1196	1165	1188	1316	1185	1129	958	918	730	644	633	754	780	686	655	815
Net Debt / Equity	0.91	0.95	1.21	1.32	1.38	1.70	1.74	0.50	0.47	0.57	0.47	0.42	0.42	0.50	0.52	0.45	0.42	0.45
Current Ratio	1.17	1.20	1.15	1.10	1.14	1.09	1.05	0.99	1.08	1.05	0.99	0.97	0.98	1.00	1.11	1.14	1.16	1.16
Assets Turnover	0.63	0.54	0.81	0.97	0.91	0.90	0.94	0.57	0.63	0.58	0.65	0.68	0.64	0.60	0.72	0.60	0.75	0.71
Working Capital (Inv. + Receivable -Payables)	876	1,164	1,423	1,336	1,345	1,389	1,185	1,052	1,041	968	735	637	637	798	991	918	957	1,137

Working Capital and Returns



Thank you

Lecico

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