

# Lecico

## Full Year 2022 Results

Strong 4Q cuts loss to LE 3.2m despite significant exceptional charges in 2022

**Alexandria, 1<sup>st</sup> March 2023** – Lecico Egypt announces its consolidated results for the fourth quarter of 2022. Revenue was up 31% to LE 950.4 million. The Company reported an operating profit (EBIT) of LE 69.6 million compared to an operating profit of LE 27.2 million in 4Q 2021. Lecico reported a net profit of LE 37.7 million compared to a net loss of LE 4.1 million in the same period last year.

For the full year, revenue was up 24% to LE 3,273.8 million. The Company reported an operating loss (EBIT) of LE 31.3 million compared to an operating profit of LE 49.9 million in 2021. Lecico reported a net loss of LE 3.2 million compared to a net loss of LE 36.4 million in last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to report a strong fourth quarter where the devaluation of the Pound and significant price increases boosted both revenue and gross margins. Lecico reported a net profit after exceptionals for the second time this year and – if we exclude the exceptional charges incurred this year – we would have had a positive bottom line for the entire year.”

Taher Gargour, Lecico Egypt CEO, added, “Revenue for the quarter was up 31% and Gross profit was up 34% on last year from a strong improvement in our exports.

“This continues to be a difficult year for investors to follow our performance with exceptional charges in Egypt and the accounting challenges of Lebanon obscuring our performance a bit. We booked two exceptional items in Egypt this quarter which resulted in a net LE 35.1 million negative impact on the quarter. Despite this, we still reported positive bottom line for the quarter thanks to the improvement in core operations.

“The significant devaluation of the Egyptian Pound in the fourth quarter of 2022 and so far during the first quarter of 2023 put us in a good position to build on the strong improvement seen in this quarter for the year ahead. Our risk is on the demand side although indications in our export markets remain strong. Egypt is also going through some challenges, and we worry about the robustness of local demand. Although we have had a significant boost from the devaluation of the Pound, Lecico is in the middle of a very volatile trading period, and we are working hard to deliver continued growth and improvement in our financial results in the face of these uncertainties.”

### **AGM Announcement**

Lecico's Annual General Meeting will be held electronically with voting over five days before the assembly meeting on Thursday, March 30, 2023, at exactly 8:30 AM.

The Board of Directors recommends not to distribute any dividend due to net losses, with the matter being presented to the AGM of the shareholders of the company.

### **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**

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.