



Second Quarter 2023 Results

Devaluation-driven recovery continues with LE167.9m net profit

Alexandria, 14th August 2023 – Lecico Egypt announces its consolidated results for the second quarter of 2023. Revenue was up 64% to LE 1,184.5 million. The Company reported an operating profit (EBIT) of LE 274.6 million compared to an operating loss of LE 37.1 million in 2Q 2022. Lecico reported a net profit of LE 167.9 million compared to a net loss of LE 60.6 million in the same period last year.

For the first six months, revenue was up 63% to LE 2,401.2 million. The Company reported an operating profit (EBIT) of LE 580.9 million compared to an operating loss of LE 6.5 million in the first half of 2022. Lecico reported a net profit of LE 256.9 million compared to a net loss of LE 31.3 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to report a strong second quarter for 2023 where the devaluation of the Egyptian Pound and local and export price increases led to a significant increase in our profitability and margins.

“I thank you for your continued interest and support of Lecico.”

Taher Gargour, Lecico Egypt CEO, added, “I am pleased to a strong improvement in operating profits and a healthy bottom line for the quarter. The main drivers of the strong improvement in results this quarter came from the devaluation coupled with price increases. However, the results some increased pressure from cooling demand squeezing revenues and core profitability compared to the first quarter.

“As we look ahead to the rest of 2023, our margins should reduce as demand continues to weaken and we cut production volumes to balance our stocks, which will put additional inflationary pressure on our unit product costs. Nonetheless, we aim to maintain a significant improvement in average margins over last year.

“Lecico is in the middle of a very volatile trading period, but we are working hard to preserve this strong improvement in our financial results in the face of these uncertainties as the year progresses.”

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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