



## Third Quarter 2023 Results

Healthy bottom line despite production cut in sanitaryware

**Alexandria, 14<sup>th</sup> November 2023** – Lecico Egypt announces its consolidated results for the third quarter of 2023. Revenue was up 43% to LE 1,218.7 million. The Company reported an operating profit (EBIT) of LE 199.3 million compared to an operating loss of LE 94.4 million in 3Q 2022. Lecico reported a net profit of LE 78.6 million compared to a net loss of LE 9.6 million in the same period last year.

For the first nine months, revenue was up 56% to LE 3,619.9 million. The Company reported an operating profit (EBIT) of LE 780.2 million compared to an operating loss of LE 100.9 million in the first nine months of 2022. Lecico reported a net profit of LE 335.5 million compared to a net loss of LE 40.9 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to report a strong third quarter for 2023 despite lower sales volumes and significant reduction in production to destock. Weak demand is weighing more heavily on our outlook. The results for the quarter show we can continue to deliver significant profits despite tough conditions.

Taher Gargour, Lecico Egypt CEO, added, “I am very pleased that our margins held up in the third quarter. Despite the diseconomies of scale as we reduced sanitary production by over 50% from the run-rate of the first half, Lecico was still able to deliver a double-digit operating margin and a healthy net profit for the quarter. I am also pleased to see our net debt fall by LE 72 million during the quarter as we destocked and reduced our working capital. Our intention is to continue destocking to get our stock levels to a healthy point by the year end and reduce debt further.

“As we look ahead, we are seeing a significant weakening of demand in most of our markets. While we are working to offset this with new products, new customers, and better penetration, I do not expect sales volumes to improve in the quarters ahead.

“Lecico is in the middle of a very volatile trading period, but we are working hard to preserve the strong improvement in our financial results seen so far in 2023 in the face of these uncertainties.”

### **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](http://www.lecico.com)

### **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.