



Second Quarter 2024 Results

Strong performance in core operations despite slow trading season

Alexandria, 15th August 2024 – Lecico Egypt announces its consolidated results for the second quarter of 2024. Revenue was up 31% to LE 1,545.8 million. The Company reported an operating profit (EBIT) of LE 301.4 million compared to an operating profit of LE 274.6 million in 2Q 2023. Lecico reported a net profit of LE 150.4 million compared to a net profit of LE 167.9 million in the same period last year.

For the first six months, revenue was up 22% to LE 2,934.6 million. The Company reported an operating profit (EBIT) of LE 623.1 million compared to an operating profit of LE 580.9 million in the first half of 2023. Lecico reported a net profit of LE 627.9 million compared to a net profit of LE 256.9 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to report a strong performance in core operations in the second quarter. Holidays in Egypt and continued depressed market conditions in Europe meant we booked our lowest quarterly sales and production volumes in many years, yet despite this our profitability remains significantly improved on the average of the last year.

“While our performance for the quarter was strong, Lecico can still deliver significantly better results if we had the demand to fully utilize our capacity. We hope that the roll out of new products, expanded agreements with some customers, and an improvement in market condition will give us room to grow sales significantly towards the back end of this year.

“Lecico management hopes to be able to deliver continued strong performance over the rest of 2024.”

Taher Gargour, Lecico Egypt CEO, added, “The second quarter this year was affected by Ramadan and two Eids, costing the Company more than 14% of its trading days in the quarter and affecting productivity. Despite this, revenues and gross profits grew quarter-on-quarter thanks to the impact of devaluation and an increase in local pricing.

“Normally, we expect to see inflation erode margins following a devaluation. I think the performance this quarter suggests this impact will be minimal if we see markets begin to recover and can see production and sales volumes pick up. “

“As we look ahead to the rest of 2024, I believe we will continue to deliver healthy numbers and will see a stepped improvement in volumes from this quarter which will help offset some pressure from inflation. As always, we will continue to work hard to

preserve and build on the improvement in our financial results delivered in the past year and a half.”

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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