



Third Quarter 2025 Results

Alexandria, 15th November 2025 – Lecico Egypt (Stock symbols: LCSW.CA; LECI EY) announces its consolidated results for the third quarter 2025.

Highlights

3Q 2025

- Lecico revenue up 13% to LE 2,174.4 million (63.5% from sanitary ware).
- Sanitary ware revenue up 9% to LE 1,380.8 million, sales volumes down 2% to 972,120 pieces (80.2% exports).
- Tile revenue up 21% to LE 708.3 million, sales volumes up 1% to 6.5 million square meters (7.9% exports).
- Brassware revenue up 30% to LE 85.4 million, sales volume up 56% to 38,025 pieces.
- EBIT profit down 27% to LE 254.2 million compared to LE 350.5 million in 3Q 2024.
- Net profit down 57% to LE 97.1 million compared to LE 227.8 million in 3Q 2024.

9M 2025

- Lecico revenue up 18% to LE 5,742.6 million (64.5% from sanitary ware).
- Sanitary ware revenue up 16% to LE 3,705.3 million, sales volumes down 5% to 2.7 million pieces (81.4% exports).
- Tile revenue up 33% to LE 1,828.1 million, sales volumes up 8% to 17.3 million square meters (7.5% exports).
- Brassware revenues down 27% to LE 209.1 million, sales volume down 20% to 95,222 pieces.
- EBIT profit of LE 624.7 million compared to EBIT profit of LE 973.6 million in the same period last year.
- Net profit of LE 242.6 million compared to net profit of LE 855.7 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to report our strongest quarterly results this year with our highest quarterly revenue and profit despite the pressure of increased cost inflation reducing on our profit margins.

Limited price increases, and cost inflation has eaten into our margins significantly. Our operating profits are 27% lower than the same period last year with significantly lower operating margins.

“Most of our markets remain relatively restrained with limited room for price increases in the short to medium term and Lecico is focused on growing volumes and improving production efficiency to help maximize margins.

“In sanitary ware, we are still waiting to see consumer demand start to recover in most of our key markets, but increased demand from US and Asian partners has helped shore up sales

resulting in our highest quarterly sales volumes this year. However, our margins were squeezed by the added complexity of onboarding these new customers combined with the pressure on margins from continued cost inflation.

“In tiles, we had our best quarter with volumes and margins improved year-on-year. Economies of scale in production helped us absorb cost inflation and demand was particularly strong as the local market rushed to stock their channel in advance of the expected increases in natural gas and diesel petrol that came into effect in early 4Q.

“Our brassware business is also showing strong recovery following the drop in sales and profitability we saw from the second half of last year. Market conditions remain tight but our teams’ efforts to introduce new products and encourage local sales have paid off in revenue and profitability.

“Overall, I am pleased with the results considering the external drivers squeezing operations. We will face more challenges on cost in the coming quarter and will look to volumes to offset this pressure on margins in the year ahead.”

Taher Gargour, Lecico Egypt CEO, added, “Our third quarter results show some good improvement on the past few quarters with stronger sales volumes in all segments helping us absorb the continued cost inflation and deliver our best quarterly operating and net profit numbers this year.

“All segments saw good improvement in volumes and revenues quarter-on-quarter. Tiles and brassware also saw quarter-on-quarter margin improvements.

“From a cash flow perspective, we saw a positive improvement in the quarter from improved working capital and operational cash flows. Net debt fell LE 296 million or 19% during the quarter which helped reduce our finance cost although this was offset by negative exchange variances as the Pound began to strengthen.

“Looking ahead, we are facing a squeeze on margins in the year ahead and a particularly challenging fourth quarter. From the fourth quarter onwards, we will face a squeeze on operational profits from increased gas and petrol costs as well as the impact of the strengthening pound on reducing our average export prices.

“In addition, the fourth quarter will suffer from reduced volumes in sanitary ware and tiles. Volumes are expected to be about 10% lower quarter-on-quarter due to critical tile maintenance and a temporary hit on sanitary ware packing and testing capacity from onboarding new customers. This will create diseconomies of scale over and above the squeeze from energy costs and a stronger currency. We also expect around LE 30 million in additional provisions in the quarter as we cover some of our investments in Eastern Europe. All of this will push us to a small loss or limited profit for the final quarter.

“In 2026, while we expect volumes of sanitary ware to improve on 2025 as we ramp up new sanitary ware customers, the pressure of cost inflation in Egypt outpacing limited export price increases means we will likely see a further squeeze in our gross margin likely meaning a slight dip in operating and net profits year-on-year despite the extra volume and revenue.

“We will look to economies of scale and manufacturing efficiency gains to offset this dual pressure of cost inflation and effective price reductions, but we will likely not unlock enough efficiency to fully offset these pressures in the year ahead. We are also introducing new products in tiles and sanitary ware that will raise our average prices too, but the impact next year will be limited. We will need to continue to build volumes while looking to macro-economic forces to adjust the Egyptian Pound for competitiveness to see a significant improvement in margins. Nonetheless, we face a challenging year ahead as a result.

“As always, we will continue to work hard to preserve and build on the strong improvement in our financial results in the year ahead whatever the operating environment.”

Lecico Revenue and Profitability

Profit and loss statement highlights						
(LE m)	3Q		%	9M		%
	2025	2024	25/24	2025	2024	25/24
Sanitary ware	1,380.8	1272.3	109%	3,705.3	3,194.4	116%
Tiles	708.3	587.4	121%	1,828.1	1378.0	133%
Brassware	85.4	65.8	130%	209.1	287.7	73%
Sales	2,174.4	1,925.5	113%	5,742.6	4,860.1	118%
Sanitary ware/sales (%)	63.5%	66.1%	(2.6%)	64.5%	65.7%	(1.2%)
Cost of sales	(1,659.0)	(1384.0)	120%	(4,337.6)	(3,426.0)	127%
Cost of sales/sales (%)	(76.3%)	(71.9%)	4.4%	(75.5%)	(70.5%)	5.0%
Gross profit	515.5	541.5	95%	1,404.9	1,434.1	98.0%
Gross profit margin (%)	23.7%	28.1%	(4.4%)	24.5%	29.5%	(5.0%)
Distribution and administration (D&A)	(219.9)	(187.3)	117%	(625.6)	(467.5)	134%
D&A/sales (%)	(10.1%)	(9.7%)	0.4%	(10.9%)	(9.6%)	1.3%
Net other operating income/ (expense)	(41.4)	(3.8)	1094%	(154.6)	7.0	-
Net other operating income/ (expense) sales (%)	(1.9%)	(0.2%)	1.7%	(2.7%)	0.1%	-
EBIT	254.2	350.5	73%	624.7	973.6	64%
EBIT margin (%)	11.7%	18.2%	(6.5%)	10.9%	20.0%	(9.2%)
Net profit	97.1	227.8	43%	242.6	855.7	28%
Net profit margin (%)	4.5%	11.8%	(7.4%)	4.2%	17.6%	(13.4%)

3Q 2025: Strong Results as sales volume growth offsets cost pressures

Lecico reported strong growth in revenues driven by good volumes and price appreciation in most segments. Sanitary ware and brassware posted their best numbers in the past three quarters, leading to the best quarterly financial performance so far this year. Cost inflation has squeezed margins and profits compared to the same period last year.

Revenues for the third quarter increased by 13% year-on-year to reach LE 2,174.4 million (3Q 2024: LE 1,925.5 million) with higher pricing in sanitary ware and tiles. Local revenues were up 27% year-on-year to reach LE 937.4 million (3Q 2024: LE 738.6 million) and export revenues were up 4% year-on-year to reach LE 1,237 million (3Q 2024: LE 1,186.9 million).

Quarter-on-quarter revenues increased 16% (2Q 2025: LE 1,877.5 million) thanks to improved volumes in all segments. Local revenues increased 28% to LE 937.4 million (2Q 2025: LE 734.5 million) and exports increased 8% to LE 1,237 million (2Q 2025: LE 1,134.1 million).

Lecico's cost of goods sold increased by 20% year-on-year to LE 1,659 million (3Q 2024: LE 1,384 million) primarily as a result of inflation in Egypt, outpacing the increase in revenues over the same period mainly due to an inability to reflect Egyptian inflation in the Company's export markets.

Quarter-on-quarter Lecico's cost of goods sold increased by 16% (2Q 2025: LE 1,428.5 million) reflecting some inflation in input costs and matching the increase in revenues.

Lecico's gross profit for the third quarter decreased 5% year-on-year to LE 515.5 million (3Q 2024: LE 541.5 million) Lecico's gross profit margin decreased 4.4 percentage points to 23.7% compared to 28.1% in the same period last year.

Quarter-on-quarter gross profit increased by 15% (2Q 2025: LE 449 million), but gross profit margin decreased 0.2 percentage points to 23.7% compared to 23.9%.

In absolute terms, distribution and administration (D&A) expenses increased by 17% to LE 219.9 million (3Q 2024: LE 187.3 million), and proportional D&A expenses were up by 0.4 percentage points to 10.1% (3Q 2024: 9.7%).

Quarter-on-quarter distribution and administration (D&A) expenses increased 4% (2Q 2025: LE 212.2 million), but proportional D&A expenses were down by 1.2 percentage points (2Q 2025: 11.3%).

Lecico reported LE 41.4 million in net other operating expenses compared to net other operating expenses of LE 3.8 million in the same period last year. In 3Q 2024, the present value adjustment of notes payable resulted in a gain of LE 32.4 million, while in 3Q 2025, it resulted in a loss of LE 21.8 million.

Quarter-on-quarter net other operating expenses decreased 35% (2Q 2025: LE 63.8 million) primarily due to the reversal of provisions related to accounts receivable.

Lecico's EBIT profit for the third quarter decreased 27% year-on-year to LE 254.2 million (3Q 2024: LE 350.5 million). Lecico's EBIT margin decreased 6.5 percentage points to 11.7% compared to 18.2% in the same period last year.

Quarter-on-quarter Lecico's EBIT profit increased 47% (2Q 2025: LE 173 million) and the margin increased 2.5 percentage points (2Q 2025: 9.2%).

Lecico reported LE 96.9 million in net financing expenses compared to net financing expenses of LE 45.5 million in the same period last year. This increase in financing expense is primarily due to exchange loss of LE 15.9 million compared to exchange gain of LE 12 in the same period last year.

Lecico reported a net tax charge of LE 53.9 million in the third quarter versus tax charge LE 71.4 million in the same period last year and LE 52.8 million in the previous quarter as losses in some subsidiaries pushed up the effective tax rate.

Lecico's net profit for the third quarter decreased 57% year-on-year to LE 97.1 million (3Q 2024: LE 227.8 million). Lecico's net margin decreased 7.4 percentage points to 4.5% compared to 11.8% in the same period last year.

Quarter-on-quarter, Lecico's net profit increased by 83% (2Q 2025: LE 53.1 million) and its net margin increased by 1.6 percentage point (2Q 2025: 2.8%).

9M 2025: Margin pressure and absence of unusual gains squeeze profitability

Lecico revenues for the first nine months increased by 18% year-on-year to LE 5,742.6 million (9M 2024: LE 4,860.1 million) due to pricing-led increases in sales in local sanitary and tiles segments.

Lecico's cost of goods sold was up 27% year-on-year to LE 4,337.6 million (9M 2024: LE 3,426 million) as inflation in Egypt outpaced the Company's ability to raise prices.

Gross profit decreased by 2% to reach LE 1,404.9 million (9M 2024: LE 1,434.1 million) because of a 5 percentage point drop in the Company's gross profit margin to 24.5% (9M 2024: 29.5%).

In absolute terms, distribution and administration (D&A) expenses increased by 34% to LE 625.6 million (9M 2024: LE 467.5 million) and proportional D&A expenses were up by 1.3 percentage points to 10.9% (9M 2024: 9.6%).

Lecico reported LE 154.6 million in net other operating expenses compared to net other operating income of LE 7 million in the same period last year. In 9M 2025, the present value of notes payable resulted in a loss of LE 64.1 million, while in 9M 2024, it resulted in a gain of LE 62.5 million. This significant change in net other operating expenses from present value adjustment gains to losses began late in 4Q 2024 and will continue until these specific payables are fully paid in 2027.

Lecico's EBIT profit for the first nine months decreased 36% year-on-year to LE 624.7 million (9M 2024: LE 973.6 million) due cost inflation and this inflection in other operating expense charges. Lecico's EBIT margin decreased 9.2 percentage points to 10.9% compared to 20% in the same period last year.

During the first nine months, Lecico reported LE 211.8 million in net financing expenses compared to LE 161.2 million net financing income in the same period last year. The net finance income reported in 9M 2024 was due to LE 149.5 million from swapping excess foreign currency into Egyptian Pounds through GDRs and exceptional exchange gains in Egypt of LE 212 million following the devaluation of the Pound in March. These exceptional gains linked to the devaluation of the pound in the same period distort comparisons of core operations and bottom line results.

Lecico reported net tax charge of LE 161.6 million versus a tax charge of LE 253.9 million in the same period last year.

Lecico's net profit for the first nine months decreased 72% year-on-year to LE 242.6 million (9M 2024: LE 855.7 million), in large part due to the LE 361.5 million in exceptional profits last year around the devaluation seen at the end of 1Q 2024 in addition to the squeeze on operating margins from cost inflation in Egypt over the same period outpacing the Company's ability to raise prices in its export markets. Lecico's net margin decreased 13.4 percentage points to 4.2% compared to 17.6% in the same period last year.

Segmental analysis

Sanitary ware

3Q: Sanitary ware sales volumes decreased by 2% (down 15,118 pieces). Local sales volumes decreased by 8% (down 16,262 pieces), export sales volumes decreased by 0.3% (down 2,106 pieces), but Lebanon sales volumes increased by 24% (up 3,250 pieces).

Quarter-on-quarter total sales volumes increased by 8% (up 72,485 pieces). Local volumes increased 6% (up 10,520 pieces), export sales volumes increased 8% (up 54,588 pieces) and sales in Lebanon increased 77% (up 7,377 pieces).

Average sanitary ware prices increased by 10% year-on-year at LE 1,420.4 per piece (3Q 2024: LE 1,288.7) with limited export price increases and some mix improvement since the devaluation in 1Q 2024. Quarter-on-quarter average selling prices increased 1% (2Q 2025: LE 1,400.4) on mix changes.

Revenues were up 9% year-on-year at LE 1,380.8 million (3Q 2024: LE 1,272.3 million). Quarter-on-quarter revenues were up 10% (2Q 2025: LE 1,259.8 million).

Average cost of sales per piece increased by 21% year-on-year at LE 1,050.4 per piece, due to local cost inflation partially balance by increased production. Sanitary ware production increased 13%.

Quarter-on-quarter, the average cost of sales per piece increased by 6% (2Q 2025: LE 986.4 per piece), Sanitary ware production increased 24% compared to the previous quarter which helped absorb the pressure on costs from changing product mix and cost inflation from the Company's annual salary increase and the increase in natural gas prices late in the quarter.

Gross profit decreased 14% to LE 359.7 million (3Q 2024: LE 418.2 million) and the gross margin was down 6.8 percentage points to 26% (3Q 2024: 32.9%).

Quarter-on-quarter gross profit decreased by 3% (2Q 2025: LE 372.5 million), and the gross margin decreased by 3.5 percentage points (2Q 2025: 29.6%).

Sanitary ware segmental analysis	3Q		%	9M		%
	2025	2024	25/24	2025	2024	25/24
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	175	191	92%	460	604	76%
Lebanon (000 pcs)	17	14	124%	38	30	128%
Export (000 pcs)	780	782	99.7%	2,172	2,191	99%
Total sanitary ware volumes (000 pcs)	972	987	98%	2,670	2,825	95%
Exports/total sales volume (%)	80.2%	79.2%	1.0%	81.4%	77.6%	3.8%
Sanitary ware revenue (LE m)	1,380.8	1,272.3	109%	3,705.3	3,194.4	116%
Average selling price (LE/pc)	1,420.4	1,288.7	110%	1,387.7	1,130.8	123%
Average cost per piece (LE/pc)	1,050.4	865.1	121%	1,003.5	766.5	131%
Sanitary ware cost of sales	(1,021.2)	(854.1)	120%	(2,679.5)	(2,165.4)	124%
Sanitary ware gross profit	359.7	418.2	86%	1,025.8	1,029.0	99.7%
Sanitary ware gross profit margin (%)	26.0%	32.9%	(6.8%)	27.7%	32.2%	(4.5%)

9M: Sanitary ware sales volume decreased by 5% to 2.7 million pieces (down 154,786 pieces). Local volumes decreased 24% (down 144,068 pieces), export volumes decreased 1% (down 19,064 pieces), but sales in Lebanon increased by 28% (up 8,346 pieces).

Average sanitary ware prices were up 23% year-on-year to LE 1,387.7 per piece (9M 2024: LE 1,130.8) because of price increases and the impact of the devaluation late in 1Q 2024 on export prices.

Revenues were up 16% year-on-year at LE 3,705.3 million (9M 2024: LE 3,194.4 million).

Average cost of sales increased 31% at LE 1,003.5 per piece, production volumes increased by 2% and costs were inflated primarily on the back of significant local inflation and the partial impact of devaluation on imported costs.

Gross profit slightly decreased 0.3% to LE 1,025.8 million (9M 2024: LE 1,029.0 million), and the margin down 4.5 percentage points to 27.7% (9M 2024: 32.2%).

Tiles

3Q: Tile sales volumes increased 1% year-on-year (up 90,516 square meters) to reach 6.5 million square meters. Local sales volumes increased 3% (up 153,820 million square meters) and Lebanon sales volumes increased 8% (up 3,823 square meters), but export sales decreased 11% (down 67,127 square meters).

Quarter-on-quarter sales volumes increased 24% (up 1.3 million square meters). Local volumes increased 26% (up 1.2 million square meters) as the market rushed to buy anticipating price inflation around the increase in natural gas and diesel fuel costs. Export volumes increased 22% (up 92,314 square meters) with the roll out of new customers in export. Lebanon volumes decreased 42% (down 36,941 square meters).

Average net prices per square meter increased by 19% year-on-year at LE 109 per meter (3Q 2024: LE 91.6) because of price increases locally. Quarter-on-quarter average prices increased by 4% (2Q 2025: LE 104.3) on mix changes.

Tile revenues were up 21% year-on-year at LE 708.3 million (3Q 2024: LE 587.4 million). Quarter-on-quarter revenues were up 30% (2Q 2025: LE 544.8 million).

Average cost of sales per square meter increased by 17% year-on-year to reach LE 91.3 (3Q 2024: LE 78 per square meter) due to significant cost inflation locally. This cost increase came despite the positive effect of a 6% increase in production compared to last year.

Quarter-on-quarter average costs per square meter decreased by 3% (2Q 2025: LE 94.5) primarily due to a 14% increase in production volumes.

Gross profit for the quarter increased 31% to reach LE 114.6 million (3Q 2024: LE 87.2 million). Gross margin increased by 1.3 percentage points to 16.2% (3Q 2024: 14.8%).

Quarter-on-quarter gross profit increased by 122% (2Q 2025: LE 51.6 million) as the margin increased 6.7 percentage points to 16.2% (2Q 2025: 9.5%).

Tile segmental analysis	3Q		%	9M		%
	2025	2024		2025	2024	
			25/24		25/24	
Tile volumes (000 sqm)						
Egypt (000 sqm)	5,932	5,778	103%	15,759	14,558	108%
Lebanon (000 sqm)	52	48	108%	194	145	133%
Export (000 sqm)	517	584	89%	1,299	1,330	98%
Total tile volumes (000 sqm)	6,500	6,410	101%	17,251	16,033	108%
Exports/total sales volume (%)	7.9%	9.1%	(1.2%)	7.5%	8.3%	(0.8%)
Tile revenue (LE m)	708.3	587.4	121%	1,828.1	1,378.0	133%
Average selling price (LE/sqm)	109.0	91.6	119%	106.0	85.9	123%
Average cost per sqm (LE/sqm)	91.3	78.0	117%	89.1	70.7	126%
Tile cost of sales	(593.7)	(500.3)	119%	(1,537.9)	(1,133.8)	136%
Tile gross profit	114.6	87.2	131%	290.2	244.1	119%
Tile gross profit margin (%)	16.2%	14.8%	1.3%	15.9%	17.7%	(1.8%)

9M: Tile sales volumes increased by 8% year-on-year (up 1.2 million meters) to reach 17.3 million square meters. Sales in Egypt increased 8% (up 1.2 million square meters) and Lebanon sales increased by 33% (up 48,278 square meters), but export sales decreased by 2% (down 31,223 square meters).

Tiles revenues increased 33% year-on-year at LE 1,828.1 million in the first nine months of 2025 (9M 2024: LE 1,378.0 million).

Average net prices rose 23% to LE 106 per square meter compared to LE 85.9 in the same period last year.

Average costs increased 26% year-on-year to reach LE 89.1 per square meter due to the impact of inflation around the devaluation of the Egyptian currency and the removal of some of the subsidies around fuel and other inflationary actions in Egypt. Production volume was 10% greater than the same period in 2024.

Gross profit increased 19% to reach LE 290.2 million (9M 2024: LE 244.1 million), but the margin decreased by 1.8 percentage points to 15.9% (9M 2024: 17.7%).

Brassware

3Q: Sales volumes for the third quarter of 2025 increased by 56% to reach 38,025 pieces (3Q 2024: 24,397 pieces) rebounding from a very difficult trading period in the same period last year. Quarter-on-quarter sales volumes increased by 10% (2Q 2025: 34,580 pieces).

Average net prices decreased 17% to LE 2,245 compared to LE 2,697 in the same period last year as market slowdown and increased competition in the segment forced discounts on pricing and shift towards a cheaper mix of sales. Quarter-on-quarter average prices increased by 6% (2Q 2025: LE 2,109).

Revenue for the quarter increased 30% year-on-year to reach LE 85.4 million (3Q 2024: LE 65.8 million). Brassware accounted for 3.9% of the quarter's total revenues, compared to 3.4% in the same period last year. Quarter-on-quarter revenues increased by 17% (2Q 2025: LE 72.9 million).

Average cost per piece decreased 4% to LE 1,160.8 (3Q 2024: LE 1,214.5 per piece) reflecting changing mix and value engineering offsetting inflation from local costs. Quarter-on-quarter average cost per piece decreased by 16% (2Q 2025: LE 1,386.7 per piece).

Gross profit for the quarter increased by 14% year-on-year to reach LE 41.2 million (3Q 2024: LE 36.2 million), but the gross margin decreased by 6.7 percentage points to 48.3%

(3Q 2024: 55.0%). Brassware accounted for 8% of the quarter's total gross profits compared to 6.7% in the same period last year.

Quarter-on-quarter gross profit increased by 65% (2Q 2025: LE 25 million) and the gross profit margin also increased by 14.1 percentage points (2Q 2025: 34.2%). Brassware accounted for 5.6% of total gross profits in 2Q 2025.

Brassware segmental analysis						
	3Q		%	9M		%
	2025	2024		2025	2024	
Brassware volumes (pcs)						
Egypt (pcs)	38,022	24,397	156%	95,144	118,032	81%
Export (pcs)	3	-	0%	78	403	19%
Total brassware volumes (pcs)	38,025	24,397	156%	95,222	118,435	80%
Exports/total sales volume (%)	0.0%	0.0%	0.0%	0.1%	0.3%	(0.3%)
Brassware revenue (LE m)	85.4	65.8	130%	209.1	287.7	73%
Average selling price (LE/pc)	2,245	2,697	83%	2,196	2,429	90%
Average cost per piece (LE/pc)	1,160.8	1,214.5	96%	1,262	1,070	118%
Brassware cost of sales	(44.1)	(29.6)	149%	(120.2)	(126.8)	95%
Brassware ware gross profit	41.2	36.2	114%	88.9	161.0	55%
Brassware gross profit margin (%)	48.3%	55.0%	(6.7%)	42.5%	55.9%	(13.4%)

9M: Sales volumes for first nine months of 2025 decreased by 20% year-on-year (down 23,213 pieces). With a particularly weak demand in the first quarter.

Average net prices decreased 10% to reach LE 2,196 per piece as the Company expanded its discounts and promotions to fight for market share and introduced a cheaper mix of products for the market.

Revenues decreased 27% year-on-year to reach LE 209.1 million (9M 2024: LE 287.7 million).

Brassware's percentage of total consolidated revenues was 3.6% (9M 2024: 5.9% of sales).

Average cost per piece increased 18% to LE 1,262 per piece (9M 2024: LE 1,070 per piece) reflecting cost inflation from the devaluation of the pound compared to the same period last year.

Gross profit decreased 45% to LE 88.9 million (9M 2024: LE 161 million) and the margin decreased 13.4 percentage points to 42.5% (9M 2024: 55.9%).

Brassware's percentage of total consolidated gross profits was 6.3% (9M 2024: 11.2%).

Financial Position

The value of Lecico's non-current assets increased by 7% at the end of September 2025, to reach LE 3,636.6 million (2024: LE 3,407.9 million).

Total Equity increased 6% at the end of September 2025, to reach LE 3,974.4 million (2024: LE 3,734.6 million).

The value of Lecico's current assets increased by 13% at the end of September 2025, to reach LE 4,911.6 million (2024: LE 4,339.5 million).

Total liabilities increased by 14% to reach LE 4,452.7 million (2024: LE 3,890.8 million) due to increased banks borrowings following a change in payment terms with a large customer reducing advance payments and cash by LE 230 million. This was also compounded by cash outflows around new investments in production improvements so far this year.

Gross debt increased 73% or LE 666.5 million to reach LE 1,585.3 million compared to LE 918.8 million at the end of 2024 on the back of significant capital investments of LE 406 million in the first nine months and cash outflows mentioned.

Net debt increased 118% or LE 667 million to reach LE 1,230.6 million compared to LE 563.6 million at the end of 2024.

Net debt to equity at the end of September 2025 reached 0.31x compared to 0.15x at the end of 2024.

Working capital increased 32% or LE 694.9 million to reach LE 2,893.1 million compared to LE 2,198.2 million at the end of 2024.

Recent developments and outlook

Outlook for fourth quarter and 2026: The pace of rate cuts and economic recovery in Europe and Egypt have been slower than expected due to sticky inflation and confusion around international trade. Demand has not recovered as fast as expected and the consensus on the speed and magnitude of recovery seems to be less certain.

Egypt is seeing a sharp reduction in inflation from around 30% annually in the last two years to around 13% currently, but interest rates have been slower to fall limiting the benefit on spending and financing. All of this should improve in the coming quarters, but it seems likely to be a longer recovery than previous consensus suggested.

Lecico is also facing a squeeze on profitability due to increases in diesel fuel and natural gas just announced. The government increased natural gas prices by USD 1/MBTU, a 21% increase from mid-September. The government also announced a 13% increase in Diesel fuel from early October. Diesel affects transport costs and is a critical cost component in most local raw materials as well as staff and finished goods transport.

Lecico is also expecting to see a drop in export prices following the strengthening of the Pound. The Egyptian Pound has strengthened by 3.5% against the dollar and about 2.5% against the Euro and the Sterling over September and October.

All these factors will put pressure on Lecico's margins, with limited scope to raise prices outside of Egypt to offset these pressures.

In 4Q 2025, the Company will face additional pressures on its profitability from temporary capacity reductions in tile and sanitary ware and extra provisions. Volumes are expected to be about 10% lower quarter-on-quarter because of critical tile maintenance and a temporary squeeze on sanitary ware packing and testing capacity from onboarding new customers. This will create diseconomies of scale further increasing unit costs. Lecico also expects around LE 30 million in provisions to cover some investments in Eastern Europe. All of this will push us to a small loss or limited profit for the final quarter.

After these one-offs in 4Q 2025, capacity will return and – in sanitary ware – sales will grow year-on-year in 2026. Lecico is securing some very significant opportunities to build new sales channels in the US and Asia, which are expected to drive sanitary ware in 2026. In late 2025, Lecico will launch new tile products and continue to build up its luxury sanitary ware offer to better target all market segments in its key markets.

However, year-on-year, 2026 will see pressure on profitability from the higher energy costs and strengthening of the Egyptian pound seen in the second half of 2025.

Lecico will try to use opportunistic price increases and increased volumes and efficiencies to try and offset the drop in margins. The Company hopes it will be able to lock in extra sanitary ware volumes and improve performance to offset these pressures.

Lecico Lebanon update: In 1Q 2023, Lecico Lebanon has switched to hyper-inflation accounting using IAS 21 and IAS 29. All assets have been restated in Lebanese Pounds based on the impact of hyper-inflation and the P&L and balance sheet are translated at the "Sayrafa" rate as opposed to the official exchange rate.

Management is working towards formalizing this hyper-inflation accounting with its auditors which may lead to adjustments or restatements. Management understands that this will also lead to restatement of past years as IAS rules calls for adjustment back to the beginning of hyperinflation. This should also lead to the removal of all the qualifications to Lecico Egypt's consolidated accounts that stem from hyper-inflation IAS 21 and IAS 29.

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 manufacturing base in Egypt. 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 a number of leading 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.

Lecico Egypt Consolidated Income Statement

Income statement						
(LE m)	3Q		%	9M		%
	2025	2024	25/24	2025	2024	25/24
Sales	2,174.4	1,925.5	113%	5,742.6	4,860.1	118%
Cost of sales	(1,659.0)	(1,384.0)	120%	(4,337.6)	(3,426.0)	127%
Gross profit	515.5	541.5	95%	1,404.9	1,434.1	98%
Gross margin (%)	23.7%	28.1%	(4.4%)	24.5%	29.5%	(5.0%)
Distribution expenses	(73.2)	(50.9)	144%	(203.2)	(125.9)	161%
Administrative expenses	(146.7)	(136.4)	108%	(422.4)	(341.6)	124%
Other Operating income	13.2	0.1	10016%	32.5	101.3	32%
Other Operating expenses	(54.6)	(3.9)	1393%	(187.1)	(94.3)	198%
Operating profit (EBIT)	254.2	350.5	73%	624.7	973.6	64%
Operating (EBIT) margin (%)	11.7%	18.2%	(6.5%)	10.9%	20.0%	(9.2%)
Investment revenues	0.01	-	-	0.06	-	-
Finance income	(14.9)	15.7	-	17.1	375.1	5%
Finance expense	(82.0)	(61.2)	134%	(228.9)	(213.9)	107%
Profit before tax and minority margin (%)	157.3	304.9	52%	412.9	1,134.8	36%
margin (%)	7.2%	15.8%	(8.6%)	7.2%	23.3%	(16.2%)
Income tax	(55.7)	(73.6)	76%	(165.3)	(264.4)	63%
Deferred tax	1.8	2.2	83%	3.7	10.5	36%
Net profit after tax	103.4	233.5	44%	251.4	880.9	29%
margin (%)	4.8%	12.1%	(7.4%)	4.4%	18.1%	(13.7%)
Minority interest	(6.2)	(5.7)	110%	(8.8)	(25.2)	35%
Net profit	97.1	227.8	43%	242.6	855.7	28%
Net profit margin (%)	4.5%	11.8%	(7.4%)	4.2%	17.6%	(13.4%)

Lecico Egypt Consolidated Balance Sheet

Balance Sheet (LE m)	30-Sep-25	31-Dec-24	25/24 (%)
Cash and cash equivalents	350.7	352.2	100%
Inventory	2,851.4	2,543.4	112%
Trades and other receivables	1,709.5	1,443.9	118%
Total current assets	4,911.6	4,339.5	113%
Property, plant & equipment	3,289.6	3,322.4	99%
Intangible assets	26.4	29.7	89%
Projects under construction	320.5	55.8	574%
Investment in subsidiaries & Other investment	0.085	0.021	408%
Total non-current assets	3,636.6	3,407.9	107%
Total assets	8,548.1	7,747.4	110%
Banks credit facilities	1,585.3	918.5	173%
Loans due within a year	40.0	35.8	112%
Trade and creditors	1,097.4	955.6	115%
Other current payable	600.8	836.1	72%
Provisions	213.4	160.9	133%
Total current liabilities	3,536.8	2,906.8	122%
Non-current portion of lease liabilities	123.4	107.7	115%
Provisions	0.0	0.0	100%
Deferred tax liabilities	516.5	520.4	99%
Long term notes payables	276.0	355.9	78%
Total non-current liabilities	915.9	984.0	93%
Total liabilities	4,452.7	3,890.8	114%
Non-controlling interest	121.0	122.0	99%
Share capital	400.0	400.0	100%
Reserves	2,412.9	2,394.2	101%
Retained earnings	1,161.5	940.4	124%
Total equity	3,974.4	3,734.6	106%
Total equity, non-controlling interest and liabilities	8,548.1	7,747.4	110%

Lecico Egypt Consolidated Cash Flow

Cash flow statement (LE)	9M		%
	2025	2024	25/24
<u>Cash Flow from operating activities</u>			
Net profit for the period before tax	412.9	1,134.8	36%
<u>Adjusted by the following:</u>			
Property, plant and equipment depreciation	170.7	126.6	135%
Intangible assets amortization	3.7	2.7	138%
Interest Income	(3.5)	(4.8)	73%
Finance interest expense on leases contract	6.2	9.5	65%
Finance expenses	225.2	204.4	110%
Net income from investment at fair value through profit or loss	0.0	(150.5)	0%
Foreign currency translation differences	(16.0)	(219.8)	7%
Profit generated from operations	799.1	1,102.8	72%
Change in Inventory	(320.7)	(810.6)	40%
Change in trade, notes and other receivables	(264.8)	(225.8)	117%
Change in trade, notes and other payables	(2.2)	743.9	-
Change in provisions	52.5	16.7	315%
	263.9	826.9	32%
Proceeds from interest income	3.5	4.8	73%
Income tax paid	(313.6)	(185.8)	169%
Interest expenses paid	(225.2)	(204.4)	110%
Finance interest expenses paid on lease contracts	(6.2)	(9.5)	65%
Net cash (used in) / provided from operating activities	(277.5)	432.0	-
<u>Cash flow from investing activities</u>			
Payments for acquisition of property, plant & equipment & PUC	(355.9)	(189.0)	188%
Payments for acquisition financial securities	-	(17.4)	0%
Payments for acquisition of intangible assets	(0.04)	(1.4)	-
Net cash (used in) investing activities	(356.0)	(207.8)	171%
<u>Cash flow from financing activities</u>			
Payments of loans	(0.3)	(10.3)	3%
Payment of lease liabilities	(34.6)	(11.0)	314%
Change in banks credit facilities	666.8	2.9	22768%
Net cash provided from/ (used in) financing activities	631.9	(18.4)	-
Net change in cash and cash equivalents during the period	(1.6)	205.8	-
Cash and cash equivalents at the beginning of the period	352.2	456.3	77%
Restricted time deposits	(0.5)	0.0	-
Cash and cash equivalent at the end of the period	350.2	662.1	53%