



Full Year 2025 Results

Alexandria, 28th February 2026 – Lecico Egypt (Stock symbols: LCSW.CA; LECI EY) announces its consolidated results for 2025.

Highlights

4Q 2025

- Lecico revenue up 15% to LE 2,061.1 million (63.5% from sanitary ware).
- Sanitary ware revenue up 18% to LE 1,309.2 million, sales volumes up 13% to 967,562 pieces (81.4% exports).
- Tile revenue up 10% to LE 660.7 million, sales volumes down 4% to 5.8 million square meters (8.5% exports).
- Brassware revenue up 18% to LE 91.3 million, sales volume up 25% to 39,096 pieces.
- EBIT profit down 34% to LE 117.9 million compared to LE 177.4 million in 4Q 2024.
- Net profit of LE 1.5 million compared to net profit of LE 34.6 million in 4Q 2024.

FY 2025

- Lecico revenue up 17% to LE 7,803.7 million (64.3% from sanitary ware).
- Sanitary ware revenue up 17% to LE 5,014.6 million, sales volumes down 1% to 3.6 million pieces (81.4% exports).
- Tile revenue up 26% to LE 2,488.8 million, sales volumes up 4% to 23 million square meters (7.8% exports).
- Brassware revenues down 18% to LE 300.4 million, sales volume down 10% to 134,318 pieces.
- EBIT profit of LE 742.6 million compared to EBIT profit of LE 1,151 million in 2024.
- Net profit of LE 244.1 million compared to net profit of LE 890.3 million in 2024.

Lecico Egypt Chairman, Gilbert Gargour commented, “2025 was a challenging but good year for Lecico with annual profits above the average of the past decade despite a significant squeeze on results compared to the previous year.

“From a macro perspective, the year was a challenging one with high inflation and interest rates in Egypt and constrained demand in most of our European markets.

“Our sales volumes were largely flat year-on-year with expanded businesses lines with specific customers in Europe and the US helping to offset shrinking volumes in Egypt and our main European markets.

“High inflation in Egypt combined with a strengthening of the Egyptian pound and increases in natural gas and petrol costs drove down our margins and squeezed our profits. Despite these

significant headwinds, we still reported double digit EBITDA margins for the year and a strong bottom line.

“Over the year, we continued to invest in upgrading our product lines and production technology. In sanitary ware, new product lines are already dramatically changing our sales footprint in Egypt and starting to affect export markets with our sales mix moving towards more mid and high market designs. We are looking to drive this further in 2026 with several new families being introduced and significant investments in our pressure-casting technology to improve efficiency in these products.

“In tile, we grew our more expensive and larger format tiles in 2025, and we will take a major step forward in 2026, expanding our offer with polished porcelain tiles launching in the summer.

“These investments in upgrading our offer have already seen a significant rise in investments in 2025 and this will accelerate in 2026 with total investments of over LE 650 million planned.

“Despite these developments, the year ahead will be a challenging one with price and cost pressure on margins continuing the trend seen over the course of 2025. We are trying to drive new customer volumes to help offset these pressures on our profitability, but this will remain a challenge in light of global market outlook and the expectation that Egypt will continue to lose competitiveness in 2026 as cost inflation and real interest rates – while expected to fall – will remain significantly above our main consumer and competitor markets.

“We are continuing to build a better Lecico, but I expect this will be hard to see in our financials in the year ahead as headwinds obscure our progress. Lecico is entering its 66th year of operations and we have weathered these cycles of margin pressure many times over the years. I have every confidence we will emerge from 2026 a stronger business.”

Taher Gargour, Lecico Egypt CEO, added, “The fourth quarter of 2025 was challenging one with a drop in sales quarter-on-quarter combined with a spike in some of our main costs in Egypt driving down gross margins and the additional costs of the closure of our business in Poland led to just above a break even result for the quarter.

“We lost some sales volumes in the quarter due to critical tile maintenance and a hit on sanitary ware packing and testing capacity from onboarding new customers which saw our revenues reduced. This created diseconomies of scale over and above the squeeze from higher natural gas and diesel petrol costs and a stronger Egyptian currency.

“In addition, we took provisions of LE 30 million in the quarter as we started winding up our Polish trading subsidiary. We will continue to trade in Poland and other CEE markets but without the costs of a subsidiary on the ground.

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

“We will look to economies of scale and efficiency gains to offset this cost inflation, 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 over the course of the year. 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. 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)	4Q		%	FY		%
	2025	2024	25/24	2025	2024	25/24
Sanitary ware	1,309.2	1,109.0	118%	5,014.6	4,303.4	117%
Tiles	660.7	598.5	110%	2,488.8	1,976.5	126%
Brassware	91.3	77.1	118%	300.4	364.8	82%
Sales	2,061.1	1,784.6	115%	7,803.7	6,644.7	117%
Sanitary ware/sales (%)	63.5%	62.1%	1.4%	64.3%	64.8%	(0.5%)
Cost of sales	(1,681.2)	(1,343.4)	125%	(6,018.8)	(4,769.5)	126%
Cost of sales/sales (%)	(81.6%)	(75.3%)	6.3%	(77.1%)	(71.8%)	5.3%
Gross profit	380.0	441.2	86%	1,784.9	1,875.2	95.2%
Gross profit margin (%)	18.4%	24.7%	(6.3%)	22.9%	28.2%	(5.3%)
Distribution and administration (D&A)	(204.4)	(192.7)	106%	(830.0)	(660.2)	126%
D&A/sales (%)	(9.9%)	(10.8%)	(0.9%)	(10.6%)	(9.9%)	0.7%
Net other operating income/ (expense)	(57.7)	(71.1)	81%	(212.3)	(64.1)	331%
Net other operating income/ (expense) sales (%)	(2.8%)	(4.0%)	(1.2%)	(2.7%)	(1.0%)	1.8%
EBIT	117.9	177.4	66%	742.6	1,151.0	65%
EBIT margin (%)	5.7%	9.9%	(4.2%)	9.5%	17.3%	(7.8%)
Net profit	1.5	34.6	4%	244.1	890.3	27%
Net profit margin (%)	0.1%	1.9%	(1.9%)	3.1%	13.4%	(10.3%)

4Q 2025: Cost pressures and Poland closure drive down margins and profitability

Gross profits were squeezed in 4Q. Volumes were constrained in the quarter, by critical tile maintenance and sanitary ware packing and assembly constraints on capacity limiting sales and economies of scale. Pricing came under pressure in both products came under pressure from a strengthening currency, reducing export revenue values. Costs increased as the government hiked natural gas and diesel petrol prices in the quarter.

Revenues for the fourth quarter increased by 15% year-on-year to reach LE 2,061.1 million (4Q 2024: LE 1,784.6 million) with higher pricing in sanitary ware and tiles. Local revenues were up 22% year-on-year to reach LE 902 million (4Q 2024: LE 742.3 million) and export revenues were up 11% year-on-year to reach LE 1,159.1 million (4Q 2024: LE 1,042.3 million).

Quarter-on-quarter revenues decreased 5% with lower sales volumes (3Q 2025: LE 2,174.4 million). Local revenues decreased 4% to LE 902 million (3Q 2025: LE 937.4 million) and exports decreased 6% to LE 1,159.1 million (3Q 2025: LE 1,237.0 million).

Lecico's cost of goods sold increased by 25% year-on-year to LE 1,681.2 million (4Q 2024: LE 1,343.4 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 1% (3Q 2025: LE 1,659 million) reflecting some inflation in input costs – particularly in tiles – due to increases in natural gas and diesel petrol cost.

Lecico's gross profit for the fourth quarter decreased 14% year-on-year to LE 380 million (4Q 2024: LE 441.2 million) Lecico's gross profit margin decreased 6.3 percentage points to 18.4% compared to 24.7% in the same period last year.

Quarter-on-quarter gross profit decreased by 26% (3Q 2025: LE 515.5 million) and gross profit margin decreased 5.3 percentage points to 18.4% compared to 23.7% in the 3Q.

In absolute terms, distribution and administration (D&A) expenses increased by 6% to LE 204.4 million (4Q 2024: LE 192.7 million), but proportional D&A expenses were down by 0.9 percentage points to 9.9% (4Q 2024: 10.8%).

Quarter-on-quarter distribution and administration (D&A) expenses decreased 7% (3Q 2025: LE 219.9 million) and proportional D&A expenses were down by 0.2 percentage points to 9.9% (4Q 2024: 10.1%).

Lecico reported LE 57.7 million in net other operating expenses including an exceptional cost of LE 30 million to cover the closure of the Company's trading subsidiary in Poland. This compares to net other operating expenses of LE 71.1 million in the same period last year

Quarter-on-quarter net other operating expenses increased 39% (3Q 2025: LE 41.4 million) primarily due to provisions of LE 30 million for Poland.

Lecico's EBIT profit for the fourth quarter decreased 34% year-on-year to LE 117.9 million (4Q 2024: LE 177.4 million). Lecico's EBIT margin decreased 4.2 percentage points to 5.7% compared to 9.9% in the same period last year.

Quarter-on-quarter Lecico's EBIT profit decreased 54% (3Q 2025: LE 254.2 million) and the margin decreased 6 percentage points (3Q 2025: 11.7%).

Lecico reported LE 69.1 million in net financing expenses compared to net financing expenses of LE 81.3 million in the same period last year. The decrease in financing expense is primarily due to exchange gain of LE 0.5 million compared to exchange loss of LE 18.7 in the same period last year.

Lecico reported a net tax charge of LE 40.8 million in the fourth quarter versus tax charge LE 58.6 million in the same period last year and LE 53.9 million in the previous quarter as reduced profits reduced the tax charge despite losses in some subsidiaries driving up the effective tax rate.

Lecico reported net profit of LE 1.5 million in the fourth quarter compared to net profit of LE 34.6 million in the same period last year and LE 97.1 million net profit in the previous quarter.

FY 2025: Cost inflation and absence of unusual gains squeeze profitability

Lecico revenues for 2025 increased by 17% year-on-year to LE 7,803.7 million (2024: LE 6,644.7 million) due to pricing-led increases in sales in the local market and increased tile sales volumes.

Lecico's cost of goods sold was up 26% year-on-year to LE 6,018.8 million (2024: LE 4,769.5 million) as inflation in Egypt outpaced the Company's ability to raise prices.

Gross profit decreased by 4.8% to reach LE 1,784.9 million (2024: LE 1,875.2 million) because of a 5.3 percentage point drop in the Company's gross profit margin to 22.9% (2024: 28.2%).

In absolute terms, distribution and administration (D&A) expenses increased by 26% to LE 830 million (2024: LE 660.2 million) and proportional D&A expenses were up by 0.7 percentage points to 10.6% (2024: 9.9%).

Lecico reported LE 212.3 million in net other operating expenses compared to net other operating expenses of LE 64.1 million in 2024. In 2025, the present value of notes payable resulted in a loss of LE 85 million, while in 2024, it resulted in a gain of LE 41.9 million. This significant change in 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 2025 decreased 35% year-on-year to LE 742.6 million (2024: LE 1,151.0 million) due cost inflation and the LE 126.9 million change in other operating expense charges mentioned. Lecico's EBIT margin decreased 7.8 percentage points to 9.5% compared to 17.3% in the last year.

During 2025, Lecico reported LE 281 million in net financing expenses compared to LE 79.9 million net financing income in the last year. The net finance income reported in 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 202.4 million versus a tax charge of LE 312.5 million in the last year.

Lecico's net profit for 2025 decreased 73% year-on-year to LE 244.1 million (2024: LE 890.3 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 10.3 percentage points to 3.1% compared to 13.4% in the last year.

Segmental analysis

Sanitary ware

4Q: Sanitary ware sales volumes increased by 13% (up 107,576 pieces). Local sales volumes slightly increased by 0.5% (up 842 pieces), export sales volumes increased by 16% (up 109,664 pieces), but Lebanon sales volumes decreased by 22% (down 2,930 pieces).

Quarter-on-quarter total sales volumes slightly decreased by 0.5% (down 4,559 pieces). Local volumes decreased 3% (down 5,786 pieces), and sales in Lebanon decreased 39% (down 6,644 pieces), but export sales volumes increased 1% (up 7,871 pieces).

Average sanitary ware prices increased by 5% year-on-year at LE 1,353.1 per piece (4Q 2024: LE 1,289.5) with limited export price increases and some mix improvement since the devaluation in 1Q 2024. Quarter-on-quarter average selling prices decreased 5% (3Q 2025: LE 1,420.4) on mix changes.

Revenues were up 18% year-on-year at LE 1,309.2 million (4Q 2024: LE 1,109 million). Quarter-on-quarter revenues were down 5% (3Q 2025: LE 1380.8 million).

Average cost of sales per piece increased by 14% year-on-year at LE 1,059.6 per piece, due to local cost inflation partially balance by increased production. Sanitary ware production increased 10%. Quarter-on-quarter, the average cost of sales per piece increased by 1% (3Q 2025: LE 1,050.4 per piece).

Gross profit decreased 8% to LE 283.9 million (4Q 2024: LE 308.7 million) and the gross margin was down 6.1 percentage points to 21.7% (4Q 2024: 27.8%).

Quarter-on-quarter gross profit decreased by 21% (3Q 2025: LE 359.7 million), and the gross margin decreased by 4.4 percentage points (3Q 2025: 26%).

Sanitary ware segmental analysis	4Q		%	FY		%
	2025	2024	25/24	2025	2024	25/24
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	169	168	100%	629	772	81%
Lebanon (000 pcs)	10	13	78%	48	43	113%
Export (000 pcs)	788	678	116.2%	2,960	2,870	103%
Total sanitary ware volumes (000 pcs)	968	860	113%	3,638	3,685	99%
Exports/total sales volume (%)	81.4%	78.9%	2.6%	81.4%	77.9%	3.5%
Sanitary ware revenue (LE m)	1,309.2	1,109.0	118%	5,014.6	4,303.4	117%
Average selling price (LE/pc)	1,353.1	1,289.5	105%	1,378.5	1,167.8	118%
Average cost per piece (LE/pc)	1,059.6	930.6	114%	1,018.4	804.8	127%
Sanitary ware cost of sales	(1,025.3)	(800.3)	128%	(3,704.8)	(2,965.7)	125%
Sanitary ware gross profit	283.9	308.7	92%	1,309.8	1,337.7	98%
Sanitary ware gross profit margin (%)	21.7%	27.8%	(6.1%)	26.1%	31.1%	(5.0%)

FY: Sanitary ware sales volume decreased by 1% to 3.6 million pieces (down 47,210 pieces). Local volumes decreased 19% (down 143,226 pieces), but export volumes increased 3% (up 90,600 pieces) and sales in Lebanon increased by 13% (up 5,416 pieces).

Average sanitary ware prices were up 18% year-on-year to LE 1,378.5 per piece (2024: LE 1,167.8) because of price increases and the impact of the devaluation late in 1Q 2024.

Revenues were up 17% year-on-year at LE 5,014.6 million (2024: LE 4,303.4 million).

Average cost of sales increased 27% at LE 1,018.4 per piece, production volumes increased by 4% and costs were inflated primarily on the back of significant local inflation and increases done specifically on petrol and natural gas.

Gross profit decreased 2% to LE 1,309.8 million (2024: LE 1,337.7 million), and the margin down 5 percentage points to 26.1% (2024: 31.1%).

Tiles

4Q: Tile sales volumes decreased 4% year-on-year (down 263,842 square meters) to reach 5.8 million square meters. Local sales volumes increased 1% (up 64,958 million square meters) and Lebanon sales volumes increased 332% (up 67,050 square meters), but export sales decreased 45% (down 395,850 square meters).

Quarter-on-quarter sales volumes decreased 10% (down 678,100 square meters). Local volumes decreased 12% (down 689,282 square meters) and export volumes decreased 5% (down 24,538 square meters), but Lebanon volumes increased 69% (up 35,720 square meters).

Average net prices per square meter increased by 15% year-on-year at LE 113.5 per meter (4Q 2024: LE 98.3) because of price increases locally. Quarter-on-quarter average prices increased by 4% (3Q 2025: LE 109) on mix changes.

Tile revenues were up 10% year-on-year at LE 660.7 million (4Q 2024: LE 598.5 million). Quarter-on-quarter revenues were down 7% (3Q 2025: LE 708.3 million).

Average cost of sales per square meter increased by 27% year-on-year to reach LE 104.5 (4Q 2024: LE 82.2 per square meter) due to significant cost inflation locally. Production volume was 3% less than the same period in 2024 as the Company had some lost capacity for critical maintenance in 4Q 2025.

Quarter-on-quarter average costs per square meter increased by 14% (3Q 2025: LE 91.3) primarily due to the impact of diesel petrol increases on raw materials and the increase of natural gas, which together were estimated to add over 9% to tile costs.

Gross profit for the quarter decreased 47% to reach LE 52.3 million (4Q 2024: LE 98.6 million). Gross margin decreased by 8.5 percentage points to 7.9% (4Q 2024: 16.5%).

Quarter-on-quarter gross profit decreased by 54% (3Q 2025: LE 114.6 million) and the margin decreased 8.3 percentage points to 7.9% (3Q 2025: 16.2%).

Tile segmental analysis	4Q		%	FY		%
	2025	2024		2025	2024	
			25/24			25/24
Tile volumes (000 sqm)						
Egypt (000 sqm)	5,243	5,178	101%	21,001	19,736	106%
Lebanon (000 sqm)	48	20	239%	242	166	146%
Export (000 sqm)	492	888	55%	1,791	2,218	81%
Total tile volumes (000 sqm)	5,783	6,086	95%	23,034	22,119	104%
Exports/total sales volume (%)	8.5%	14.6%	(6.1%)	7.8%	10.0%	(2.3%)
Tile revenue (LE m)	660.7	598.5	110%	2,488.8	1,976.5	126%
Average selling price (LE/sqm)	114.2	98.3	116%	108.0	89.4	121%
Average cost per sqm (LE/sqm)	105.2	82.2	128%	93.2	73.9	126%
Tile cost of sales	(608.3)	(500.0)	122%	(2,146.2)	(1,633.8)	131%
Tile gross profit	52.3	98.6	53%	342.6	342.7	100%
Tile gross profit margin (%)	7.9%	16.5%	(8.5%)	13.8%	17.3%	(3.6%)

FY: Tile sales volumes increased by 4% year-on-year (up 953,782 meters) to reach 23 million square meters. Sales in Egypt increased 6% (up 1.3 million square meters) and Lebanon sales increased by 70% (up 115,328 square meters), but export sales decreased by 19% (down 427,073 square meters).

Tiles revenues increased 26% year-on-year at LE 2,488.8 million in 2025 (2024: LE 1,976.5 million).

Average net prices rose 21% to LE 107.9 per square meter compared to LE 89.4 in the same period last year.

Average costs increased 26% year-on-year to reach LE 93 per square meter due to the impact of inflation around the devaluation of the Egyptian currency and the increase in fuel and gas prices and other inflationary actions in Egypt. Production volume was 6% greater than 2024.

Gross profit is flat at LE 342.6 but the margin decreased by 3.6 percentage points to 13.8% (2024: 17.3%).

Brassware

4Q: Sales volumes for the fourth quarter of 2025 increased by 25% to reach 39,096 pieces (4Q 2024: 31,201 pieces) rebounding from a very difficult trading period in the same period last year. Quarter-on-quarter sales volumes increased by 3% (3Q 2025: 38,025 pieces).

Average net prices decreased 6% to LE 2,334 compared to LE 2,471 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 4% (3Q 2025: LE 2,245).

Revenue for the quarter increased 18% year-on-year to reach LE 91.3 million (4Q 2024: LE 77.1 million). Brassware accounted for 4.4% of the quarter's total revenues, compared to 4.3% in the same period last year. Quarter-on-quarter revenues increased by 7% (3Q 2025: LE 85.4 million).

Average cost per piece decreased 12% to LE 1,217 (4Q 2024: LE 1,384 per piece) reflecting changing mix and value engineering offsetting inflation from local costs. Quarter-on-quarter average cost per piece increased by 5% (3Q 2025: LE 1,160.8 per piece).

Gross profit for the quarter increased by 29% year-on-year to reach LE 43.7 million (4Q 2024: LE 33.9 million) and the gross margin increased by 3.9 percentage points to 47.9% (4Q

2024: 44%). Brassware accounted for 11.5% of the quarter's total gross profits compared to 7.7% in the same period last year.

Quarter-on-quarter gross profit increased by 6% (3Q 2025: LE 41.2 million), but the gross profit margin slightly decreased by 0.4 percentage points (3Q 2025: 48.3%). Brassware accounted for 8% of total gross profits in 3Q 2025.

Brassware segmental analysis	4Q		%	FY		%
	2025	2024		2025	2024	
Brassware volumes (pcs)						
Egypt (pcs)	38,839	31,201	124%	133,983	149,233	90%
Export (pcs)	257	-	0%	335	403	83%
Total brassware volumes (pcs)	39,096	31,201	125%	134,318	149,636	90%
Exports/total sales volume (%)	0.7%	0.0%	0.7%	0.2%	0.3%	(0.0%)
Brassware revenue (LE m)	91.3	77.1	118%	300.4	364.8	82%
Average selling price (LE/pc)	2,334	2,471	94%	2,236	2,438	92%
Average cost per piece (LE/pc)	1,217.0	1,384.0	88%	1,249	1,136	110%
Brassware cost of sales	(47.6)	(43.2)	110%	(167.8)	(169.9)	99%
Brassware ware gross profit	43.7	33.9	129%	132.6	194.9	68%
Brassware gross profit margin (%)	47.9%	44.0%	3.9%	44.1%	53.4%	(9.3%)

FY: Sales volumes for 2025 decreased by 10% year-on-year (down 15,318 pieces). With a particularly weak demand in the first quarter.

Average net prices decreased 8% to reach LE 2,236 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 18% year-on-year to reach LE 300.4 million (2024: LE 364.8 million).

Brassware's percentage of total consolidated revenues was 3.8% (2024: 5.5% of sales).

Average cost per piece increased 10% to LE 1,249 per piece (2024: LE 1,136 per piece) reflecting cost inflation from the devaluation of the pound compared to the same period last year.

Gross profit decreased 32% to LE 132.6 million (2024: LE 194.9 million) and the margin decreased 9.3 percentage points to 44.1% (2024: 53.4%).

Brassware's percentage of total consolidated gross profits was 7.4% (2024: 10.4%).

Financial Position

The value of Lecico's non-current assets increased by 8% at the end of December 2025, to reach LE 3,683.5 million (2024: LE 3,407.9 million).

Total Equity increased 7% at the end of December 2025, to reach LE 3,977.8 million (2024: LE 3,734.6 million).

The value of Lecico's current assets increased by 12% at the end of December 2025, to reach LE 4,853.6 million (2024: LE 4,339.5 million).

Total liabilities increased by 14% to reach LE 4,431.2 million (2024: LE 3,890.8 million) due to increased banks borrowings following a change in payment terms with a large customer and cash outflows around new investments in production improvements so far this year.

Gross debt increased 73% or LE 668.7 million to reach LE 1,587.5 million compared to LE 918.8 million at the end of 2024 on the back of significant capital investments of LE 517 million in 2025 and cash outflows mentioned.

Net debt increased 125% or LE 706 million to reach LE 1,269.6 million compared to LE 563.6 million at the end of 2024.

Net debt to equity at the end of December 2025 reached 0.32x compared to 0.15x at the end of 2024.

Working capital increased 32% or LE 706.3 million to reach LE 2,904.5 million compared to LE 2,198.2 million at the end of 2024.

Recent developments and outlook

Outlook for 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 in profitability due to increases in diesel fuel and natural gas in 4Q 2025. 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.

All these factors have put pressure on Lecico's margins in 4Q 2025 and will continue into 2026, with limited scope to raise prices outside of Egypt to offset these pressures.

Against this pressure, 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. Lecico will also 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.

AGM Announcement

Lecico's Annual General Meeting will be held electronically with voting over five days before the assembly meeting on Tuesday, March 31, 2026, at exactly 8:30 AM.

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)	4Q		%	FY		%
	2025	2024	25/24	2025	2024	25/24
Sales	2,061.1	1,784.6	115%	7,803.7	6,644.7	117%
Cost of sales	(1,681.2)	(1,343.4)	125%	(6,018.8)	(4,769.5)	126%
Gross profit	380.0	441.2	86%	1,784.9	1,875.2	95%
Gross margin (%)	18.4%	24.7%	(6.3%)	22.9%	28.2%	(5.3%)
Distribution expenses	(70.7)	(66.1)	107%	(273.9)	(192.0)	143%
Administrative expenses	(133.7)	(126.6)	106%	(556.1)	(468.2)	119%
Other Operating income	32.9	(15.1)	-	65.4	86.3	76%
Other Operating expenses	(90.6)	(56.1)	162%	(277.7)	(150.4)	185%
Operating profit (EBIT)	117.9	177.4	66%	742.6	1,151.0	65%
Operating (EBIT) margin (%)	5.7%	9.9%	(4.2%)	9.5%	17.3%	(7.8%)
Investment revenues	(0.003)	1.00	-	0.06	1.00	6%
Finance income	0.5	(13.3)	-	17.6	361.8	5%
Finance expense	(69.6)	(68.0)	102%	(298.5)	(281.9)	106%
Profit before tax and minority margin (%)	48.8	97.1	50%	461.7	1,231.9	37%
margin (%)	2.4%	5.4%	(3.1%)	5.9%	18.5%	(12.6%)
Income tax	(29.3)	(56.1)	52%	(194.6)	(320.5)	61%
Deferred tax	(11.5)	(2.6)	446%	(7.8)	8.0	-
Net profit after tax	7.9	38.5	21%	259.3	919.4	28%
margin (%)	0.4%	2.2%	(1.8%)	3.3%	13.8%	(10.5%)
Minority interest	(6.5)	(3.9)	167%	(15.2)	(29.1)	52%
Net profit	1.5	34.6	4%	244.1	890.3	27%
Net profit margin (%)	0.1%	1.9%	(1.9%)	3.1%	13.4%	(10.3%)

Lecico Egypt Consolidated Balance Sheet

Balance Sheet (LE m)	31-Dec-25	31-Dec-24	25/24 (%)
Cash and cash equivalents	314.0	352.2	89%
Inventory	2,880.3	2,543.4	113%
Trades and other receivables	1,659.3	1,443.9	115%
Total current assets	4,853.6	4,339.5	112%
Property, plant & equipment	3,586.0	3,322.4	108%
Intangible assets	25.1	29.7	85%
Projects under construction	72.2	55.8	129%
Investment in subsidiaries & Other investment	0.082	0.021	394%
Total non-current assets	3,683.5	3,407.9	108%
Total assets	8,537.0	7,747.4	110%
Banks credit facilities	1,587.5	918.5	173%
Loans due within a year	40.2	35.8	112%
Trade and creditors	1,058.7	955.6	111%
Other current payable	609.4	836.1	73%
Provisions	260.1	160.9	162%
Total current liabilities	3,556.0	2,906.8	122%
Non-current portion of lease liabilities	111.4	107.7	103%
Deferred tax liabilities	526.9	520.4	101%
Long term notes payables	236.9	355.9	67%
Total non-current liabilities	875.2	984.0	89%
Total liabilities	4,431.2	3,890.8	114%
Non-controlling interest	128.0	122.0	105%
Share capital	400.0	400.0	100%
Reserves	2,414.8	2,394.2	101%
Retained earnings	1,163.0	940.4	124%
Total equity	3,977.8	3,734.6	107%
Total equity, non-controlling interest and liabilities	8,537.0	7,747.4	110%

Lecico Egypt Consolidated Cash Flow

Cash flow statement (LE)	FY		%
	2025	2024	25/24
<u>Cash Flow from operating activities</u>			
Net profit for the period before tax	461.7	1,231.9	37%
<u>Adjusted by the following:</u>			
Property, plant and equipment depreciation	233.4	175.0	133%
Intangible assets amortization	4.8	4.1	118%
Finance interest expense on leases contract	8.6	7.8	110%
Finance expenses	290.0	274.1	106%
Net income from investment at fair value through profit or loss	0.0	(153.8)	0%
Interest Income	(1.1)	(6.9)	16%
Foreign currency translation differences	(16.4)	(201.1)	8%
Profit generated from operations	980.8	1,331.0	74%
Change in Inventory	(349.6)	(1,025.0)	34%
Change in trade,notes and other receivables	(214.6)	(268.5)	80%
Change in trade, notes and other payables	(86.2)	940.4	-
Change in provisions	99.3	35.6	279%
	429.8	1,013.5	42%
Proceeds from interest income	1.1	6.9	16%
Income tax paid	(328.4)	(201.4)	163%
Interest expenses paid	(290.0)	(274.1)	106%
Finance interest expenses paid on lease contracts	(8.6)	(7.8)	110%
Net cash (used in) / provided from operating activities	(196.0)	537.1	-
<u>Cash flow from investing activities</u>			
Payments for acquisition of property, plant & equipment & PUC	(466.8)	(285.0)	164%
Payments for acquisition financial securities	-	(599.0)	0%
Proceeds form financial securities	-	752.77	0%
Payments for acquisition of intangible assets	-	(6.2)	-
Net cash (used in) investing activities	(466.8)	(137.3)	340%
<u>Cash flow from financing activities</u>			
Payments of loans	(0.3)	(10.5)	3%
Payment of lease liabilities	(44.3)	(24.3)	182%
Change in banks credit facilities	669.1	(469.0)	-
Net cash provided from/ (used in) financing activities	624.5	(503.8)	-
Net change in cash and cash equivalents during the period	(38.3)	(104.0)	37%
Cash and cash equivalents at the beginning of the period	352.2	456.3	77%
Restricted time deposits	(1.7)	0.0	-
Cash and cash equivalent at the end of the period	312.3	352.2	89%