



Lecico completes the merger of its Egyptian factories

Alexandria, 31 March 2026 – Lecico Egypt, announces the completion of the merger of its three sanitary ware and tile manufacturing subsidiary companies in Egypt into Lecico Egypt S.A.E. (the parent company) to improve operational and financial efficiencies.

Taher Gargour, CEO of Lecico Egypt, stated “I am very excited to announce the completion of our merger of Lecico for Ceramics, European Ceramics, and International Ceramics into Lecico Egypt. The merger will have significant cost and efficiency benefits for the Company, our customers, and suppliers.

The merger will significantly improve the workload for our operational team by eliminating the need to separate inventories, invoicing, tax filings and VAT filings for each subsidiary. This should allow us to ensure a balanced tax rate, avoid taxes on inter-company profit transfers, and centralizing cash flows under a single entity minimizes financing costs and enhances the efficiency of working capital management.

“For our customers, business will be simplified as they are invoiced and pay only one company. The merger will also allow facilitate Lecico’s collection of export subsidies and VAT credits as the customers business goes through one entity.

“For our suppliers, this will highlight our buying power and allow us to ensure best prices for the size of our purchases. It will also facilitate their dealing with us as they only process one payment instead of up to four separate payments.

“Overall, this merger will be a significant benefit to Lecico both in terms of streamlining operations and processes as well as saving extra costs in working capital and VAT.

As part of the merger, Lecico Egypt has set the company’s issued capital after the merger at LE 200 million. Additionally, the nominal value of a share in Lecico has been amended to LE 2.50, down from the previous value of LE 5.00. This reduction in paid-in capital has been done as recommended by the Assessment Committee of GAFI in order to write-off some investments including our investment in Lebanon, the UK and some of our current assets.

Taher Gargour added “While I understand the cautious approach of GAFI to assessing the risks in some of Lecico’s investments and trade receivables and wanting to write them down, Lecico is confident in the health of these assets and has already covered any risk through provisions where necessary. This is a part of the regulatory procedure for the merger and the Company plans to look at capitalizing retained profits to return to current par value per share post the merger. This should only have a positive effect on our financials.

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 and Lebanon, with over 45 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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