



## Full Year 2020 Results

Debt reduction and lower interest rates offset COVID-related sales drop

**Alexandria, 2<sup>nd</sup> March 2021** – Lecico Egypt announces its consolidated results for the fourth quarter of 2020. Revenue was up 18% to LE 615.3 million. The Company reported an operating loss (EBIT) of LE 13.9 million compared to an operating loss of LE 57 million in 4Q 2019. Lecico reported a net loss of LE 28.2 million compared to a net loss of LE 95.3 million in the same period last year.

For the full year, revenue was down 13% to LE 2,055.2 million. The Company reported an operating loss (EBIT) of LE 132.5 million compared to an operating loss of LE 88.2 million in 2019. Lecico reported a net loss of LE 220.6 million compared to a net loss of LE 298.3 million in the last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “2020 has been a year of significant progress at our company. Lecico continued operations throughout the pandemic, although we saw a significant drop in sales due to the lockdown in Europe. We took another major step in restructuring our Lebanon operations. We also were able to sell a significant portion of our excess real estate holdings, fully closing Lecico Lebanon’s net debt, and significantly reducing our debt as a group. In Egypt, the restructuring of our tile operations saw a strong improvement in contribution from that segment.

“I am confident that Lecico will build on those numbers in the coming year and we will deliver a significant improvement year-on-year particularly through the operating line and in terms of cash flows from operations.”

Taher Gargour, Lecico Egypt CEO, added, “In the fourth quarter, we reported our strongest results in over a year. Lecico continued ramping up production accordingly with economies of scale driving up the gross margin.

“At the year-end we had to take an unforeseen provision against receivables. Despite these provisions, we still booked our smallest quarterly operating loss in over a year. We generated cash and reduced debt over the quarter.

“This puts us on good footing for 2021, with early indications that the recovery should continue, hopefully without any of the exceptional disruptions seen in 2020.

“Lecico’s task ahead remains to ramp up production and maximize sales while improving our smart management of costs, working capital and cashflows. The entire Lecico management team will continue to work towards the best possible result in these areas.”

The Full Statements for the period with analysis are available on Lecico’s Web site.

## 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.

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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.