



## Third Quarter 2021 Results

Continued sales rebound improves performance and operating profit

**Alexandria, 14<sup>th</sup> November 2021** – Lecico Egypt announces its consolidated results for the third quarter of 2021. Revenue was up 21% to LE 679.6 million. The Company reported an operating profit (EBIT) of LE 9.3 million compared to an operating loss of LE 25.3 million in 3Q 2020. Lecico reported a net loss of LE 8.7 million compared to a net loss of LE 45.3 million in the same period last year.

For the first nine months, revenue was up 33% to LE 1,916.1 million. The Company reported an operating profit (EBIT) of LE 22.7 million compared to an operating loss of LE 118.5 million in the first nine months of 2020. Lecico reported a net loss of LE 32.2 million compared to a net loss of LE 192.4 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “I am pleased to see a continued quarter-on-quarter improvement in Lecico Egypt’s results with stronger local sales driven by a record quarter for our brassware business.

“We have a strong demand outlook into 2022, which is giving us an opportunity to pass on inflation and fine tune our sales mix to optimize profitability. I remain optimistic that strong demand we are seeing will drive a continued recovery in Lecico performance.”

“I thank you for your continued interest and support of Lecico.”

Taher Gargour, Lecico Egypt CEO, added, “This quarter is our fifth consecutive quarter of improving gross. It is our second consecutive quarter of reporting both an operating (EBIT) profit and a pre-tax profit and both are improved on the second quarter.

“Sanitary export demand continued to outpace production. Brassware had an outstanding quarter booking almost double its average quarterly volumes.

“We may see a bit of a dip in sales quarter-on-quarter in the quarters ahead in line with our traditional seasonality, but the outlook for strong demand in 2022 remains.

“Lecico’s task ahead remains to ramp up production and maximize sales while working towards continuous improvement in our management of costs, working capital and cashflows. I am pleased with our overall improvement so far this year. Lecico still has more to do to continue improving margins.

“The entire Lecico management team will continue to work towards the best possible results with this strategy in the coming year.”

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.