



Full Year 2021 Results

Export sales-led recovery returns Lecico to operating profit

Alexandria, 1st March 2022 – Lecico Egypt announces its consolidated results for the fourth quarter of 2021. Revenue was up 18% to LE 726.1 million. The Company reported an operating profit (EBIT) of LE 27.2 million compared to an operating loss of LE 13.9 million in 4Q 2020. Lecico reported a net loss of LE 4.1 million compared to a net loss of LE 28.2 million in the same period last year.

For the full year, revenue was up 29% to LE 2,642.2 million. The Company reported an operating profit (EBIT) of LE 49.9 million compared to an operating loss of LE 132.5 million in 2020. Lecico reported a net loss of LE 36.4 million compared to a net loss of LE 220.6 million in last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “Lecico has made a substantial step in its recovery in 2021. The company has gone back to sanitary ware sales volumes of over 5 million pieces driving a return to operating and pre-tax profits for the group. This recovery was achieved despite the headwinds of global inflation in 2021 and the compounded pressure of several years of currency-led inflation in the Egyptian cost base.

“I believe therefore that we are on the cusp of another substantial improvement in our operational performance in the year ahead. I thank you for your continued interest and support of Lecico.”

Taher Gargour, Lecico Egypt CEO, added, “The fourth quarter was our strongest this year and our sixth consecutive quarter of improving gross and EBITDA margins. It is our third consecutive quarter of reporting both an operating (EBIT) profit and a pre-tax profit.

“We were also able to reduce our working capital significantly in the quarter and generate LE 88 million in cash.

“Lecico’s task ahead remains to ramp up production and maximize sales while working towards improvement in our management of costs, working capital and cashflows. The entire management team will continue to work towards this in the coming year.”

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

Lecico’s AGM will be held electronically on Thursday, March 31, 2022 at 08:30 am. The Board of Directors recommends to shareholders not to distribute any dividend due to net losses.

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

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