



## **First Quarter 2022 Results**

Sales rebound and devaluation drive a positive bottom line

**Alexandria, 26<sup>th</sup> May 2022** – Lecico Egypt announces its consolidated results for the first quarter of 2022. Revenue was up 24% to LE 745.5 million. The Company reported an operating profit (EBIT) of LE 30.6 million compared to an operating loss of LE 10.4 million in 1Q 2021. Lecico reported a net profit of LE 29.3 million compared to a net loss of LE 16.8 million in the same period last year.

Lecico Egypt Chairman, Gilbert Gargour commented, “Lecico has had a strong start to 2022 with record quarterly revenue numbers and the first positive quarterly bottom line in over three and a half years. The strong start is coming from a surge in demand in the local market following the devaluation.

“These strong results are a good support to face what is shaping up to be the most chaotic and volatile trading environment in over a decade. The devaluation, the increase in prices for our inputs, the critical effect of the war in Ukraine and the challenges in imports to Egypt are all unexpected sources of volatility, risk and opportunity for our opportunities in the year ahead. This volatility is forcing us to raise prices more than in any previous year.

“This is also a time of opportunity. Strong demand will be there for those that can keep production going. High price volatility gives those with excess demand a chance to improve overall returns. Lecico intends to offset the risks and capture the opportunity as we work through this volatile period. We do face risks but aim to outperform our industry in our response to these challenges.”

Taher Gargour, Lecico Egypt CEO, added, “This start of 2022 has been extremely chaotic and volatile. The cost inflation seen last year is compounded for our industry as the conflict in the Ukraine has stopped a significant source of critical raw materials.

“In addition to these challenges, in March the Egyptian Pound devalued and interest rates have been hiked. This on balance was good news for our exports.

“All of this is to say that Lecico is in the middle of a very volatile trading period and we are working hard to deliver continued growth and improvement in our financial results in the face of these challenges. The first quarter is a good base from which to face these challenges ahead while continuing to deliver on our strategy.”

### 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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