

RAK

CERAMICS



Q2 Earnings Release

RAK Ceramics Announces Q2 and Half Yearly 2025 Financial Results

- **Group revenue:** Experienced an increase of 6.4% year-on-year (YoY) to AED 826.8 million in Q2 2025, primarily due to robust demand in the UAE and Middle East.
- **Gross profit margin:** Improved by 110bps YoY to 40.6% in Q2 2025, up from 39.6% in Q2 2024.
- **EBITDA performance:** EBITDA improved by 17.5% YoY in Q2 2025 to AED 160.8 million from AED 136.9 million in Q2 2024.
- **Profit before tax:** Increased by 45.0% YoY to AED 86.7 million, compared to AED 59.8 million in Q2 2024.
- **Financial health:** Net debt position increased by AED 120.6 million to reach AED 1.56 billion in Q2 2025, compared to Q1 2025, primarily driven by increased capital expenditure and working capital requirements.
- The Board of Directors proposed an **interim dividend distribution** of 10 fils per share (AED 99.4 million) for H1 2025.

Ras Al Khaimah, United Arab Emirates, 13th August 2025: RAK Ceramics PJSC (Ticker: RAKCEC: Abu Dhabi), one of the largest ceramics and porcelain lifestyle solutions provider in the world, today announced its financial results for the second quarter ended 30 June 2025.

Financial Highlights

Our financial performance in Q2 has been strong, demonstrating the resilience of the business in the face of a tough macro-economic environment. Total revenue increased by 6.4% YoY to AED 826.8 million and by 2.9% to AED 1.6 billion in H1 2025 as a result of strong demand from the UAE and Middle East as well as effective cost management.

In Q2 2025, the gross profit margin increased by 110bps to 40.6% YoY and in H1 2025, it increased by 70bps to 40.2%, driven by enhanced operational efficiencies which have contributed to higher gross profit margin, reinforcing RAK Ceramic's market leadership.

EBITDA increased by 17.5% to AED 160.8 million in Q2 2025 compared to AED 136.9 million in the same period last year. Similarly, in H1 25 EBITDA increased by 2.9% to AED 296.4 million, while EBITDA margins have increased by 1.9% to 19.5% in Q2 2025 up from 17.6% in Q2 2024. In H1 2024, EBITDA margin remained consistent at 18.5%.

Profit before tax increased by 45.0% YoY to AED 86.7 million, compared to AED 59.8 million in Q2 2024.

Net profit after tax increased by 30.1% YoY to AED 66.4 million, compared to AED 51.0 million in Q2 2024. In line with the increased profitability across the businesses. UAE Corporate tax was AED 17.2 million in Q2 2025, up from AED 6.5 million in Q2 2024.

Total Revenue
AED 826.8 M
 +6.4% YoY

Gross Margin
40.6%
 +110 bps YoY

EBITDA
AED 160.8 M
 +17.5% YoY

Profit before tax
AED 86.7 M
 +45.0% YoY

Net Profit after tax
AED 66.4 M
 +30.1% YoY
 (UAE Corporate Tax 17.2m)

Net debt position rose by AED 120.6 million to reach AED 1.56 billion in Q2 2025, compared to Q1 2025, primarily driven by increased capital expenditure and working capital requirements.

Financial highlights

	Quarterly comparison					Yearly Comparison		
	Q2 24	Q1 25	Q2 25			H1 2024	H1 2025	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	777.0	776.5	826.8	6.4%	6.5%	1,558.7	1,603.3	2.9%
Gross margin (%)	39.6%	39.7%	40.6%	1.1%	1.0%	39.4%	40.2%	0.7%
EBITDA	136.9	135.6	160.8	17.5%	18.7%	288.0	296.4	2.9%
Profit before tax	59.8	64.5	86.7	45.0%	34.3%	133.7	151.2	13.1%
Profit after tax	51.0	48.9	66.4	30.1%	35.8%	113.9	115.2	1.2%
Capital expenditure	62.1	96.6	59.6	-4.0%	-38.2%	97.3	156.2	60.5%
Net debt	1554.3	1,435.0	1,555.6	0.1%	8.4%	1,554.3	1,555.6	0.1%
Net debt / EBITDA	2.5x	2.49x	2.59x			2.5x	2.59x	-

Segmental performance highlights

- **Tiles** revenue continued to grow in Q2, up 10.2% year-on-year to AED 474.3 million, led by strong demand in the UAE, with an increasing contribution from high-margin project and retail channels.
- **Sanitaryware** experienced a 3.6% growth in revenue, driven by strong demand in the UAE.
- **Tableware** division reported a decline in revenue of 7.9% to AED 84.9 million for Q2 2025. Despite the revenue decline, gross profit margin improved by 380 bps, supported by higher sales to the airline industry and premium hospitality projects.
- **Faucets** revenue continued to grow by 11.7% to AED 122.3 million in Q2 2025, mainly driven by performance in Europe, KSA, and Africa.

Tiles & Sanitaryware market highlights

- **UAE:** Continued to deliver strong revenue growth, a YoY increase of 26.4% to AED 242.9 million in Q2 2025 from AED 192.2 million primarily driven by the Tiles and Sanitaryware segments and supported by sustained momentum in the real estate sector.
- **Saudi Arabia:** Registered a decline in revenue of 11.4% in Q2 2025 to AED 54.5 million from AED 61.6 million in Q2 2024. Despite the top line pressure, gross profit margin improved by 300 bps, driven by a favorable product mix.

- **Europe:** Revenue has remained under pressure attributed to tough macroeconomic conditions, including stagnant growth, persistent inflation and continued recessionary concerns. In Q2 2025, revenue in Europe declined by 3.2% to AED 90.0 million from AED 92.9 million in Q2 2024, and by 10.5% in local currency, driven by weak demand in the UK and Italy.
- **India:** India continues to demonstrate resilience, registering moderate revenue growth of 2.0% (2.8% in local currency) to AED 87.6 million in Q2 2025, driven by expansion of the dealer's network.
- **Bangladesh:** Experienced robust growth in revenue of 9.4% (15.6% in local currency) to AED 48.9million in Q2 2025, indicating signs of recovery in the market. However, ongoing political instability continues to disrupt market dynamics and overall economic sentiment.
- **Middle East:** Reported strong YoY growth of 33.4% in Q2 2025, reflecting strong demand led by Bahrain, Iraq, and Jordan.

Commenting on the results, Abdallah Massaad, Group CEO, RAK Ceramics said:

"I'm pleased to report that Q2 2025 delivered solid revenue growth alongside strong operational performance, a reflection of the strength and adaptability of RAK Ceramics across the globe. Our ability to drive both volume and value growth in key markets, while successfully navigating regional headwinds, further underscores the effectiveness of our diversified strategy.

Our teams have demonstrated resilience in adapting to local market conditions, leveraging growth opportunities in stable regions and implementing corrective measures where needed. The shift toward high-quality and innovative offerings is strengthening our margin profile and reinforcing our competitive positioning. Our investments in advanced manufacturing capabilities, including upgraded facilities, continue to drive efficiencies and set new benchmarks for quality.

Looking forward, we're continuing to innovate our operations and accelerate initiatives that will strengthen our position in the market and continue to drive profitability across all divisions."

Strategic Highlights

Upgradation projects

- One of the tile production facility in the UAE, to develop a state-of-the-art slab production facility, commenced commercial production during the quarter.
- Upgradation of another tile plant in UAE is under progress and likely to commence commercial product by Q4 2025.
- Sanitaryware facility in the UAE is in process of upgradation with energy-efficient technologies and enhanced product portfolio, to be commissioned by Q4 2025.

Greenfield projects

- In KSA, continuing to work towards setting up a production facility

Awards & Recognition

- Received ICV Excellence Award at MIITE 2025 by the UAE's Ministry of Industry & Advanced Technology at the Make It in the Emirates (MIITE) Awards

About RAK Ceramics

RAK Ceramics is one of the largest ceramics brands in the world. Specializing in ceramic and grès porcelain wall and floor tiles, tableware, sanitaryware and faucets, the Company has the capacity to produce 118 million square meters of tiles, 5.0 million pieces of sanitaryware, 36 million pieces of porcelain tableware and 2.6 million pieces of faucets per year at its 24 state-of-the-art plants across the United Arab Emirates, India, Bangladesh and Europe.

Founded in 1989 and headquartered in the United Arab Emirates, RAK Ceramics serves clients in more than 150 countries through its network of operational hubs in Europe, Middle East and North Africa, Asia, North and South America and Australia.

RAK Ceramics is a publicly listed company on the Abu Dhabi Securities Exchange in the United Arab Emirates and as a group has an annual turnover of approximately US\$1 billion.

Contact Us

If you have any questions or require further information, please do not hesitate to contact our investor relations department.

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