

RAK CERAMICS

EARNINGS PRESENTATION – Q4 & FY 2025 RESULTS

FEBRUARY 2026



Agenda

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Speakers



Abdallah Massaad
Group Chief Executive Officer

Abdallah Massaad is Group CEO of RAK Ceramics and has more than 27 years experience in ceramics manufacturing, sales management, product marketing and business leadership. Prior to RAK Ceramics, Mr. Massaad was General Manager of ICC SARL, Lebanon.

Mr. Massaad holds post graduate qualifications in Management (DEA in Business Administration) and an undergraduate degree (Maitrise in Business Administration - Marketing) from Université Saint-Esprit de Kaslik, Lebanon.



PK Chand
Group Chief Financial Officer

Pramod Kumar Chand is Group CFO of RAK Ceramics. Mr. Chand has wide experience in dealing with corporate finance matters including treasury and working capital financing, project finance, venture capital, debt and equity capital market instruments, fund raising processes and general management.

Mr. Chand is a Member of the Institute of Chartered Accountants of India (CA) and has been a rank holder and winner of the A F Ferguson award.

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Business Highlights

Speaker: Abdallah Massaad

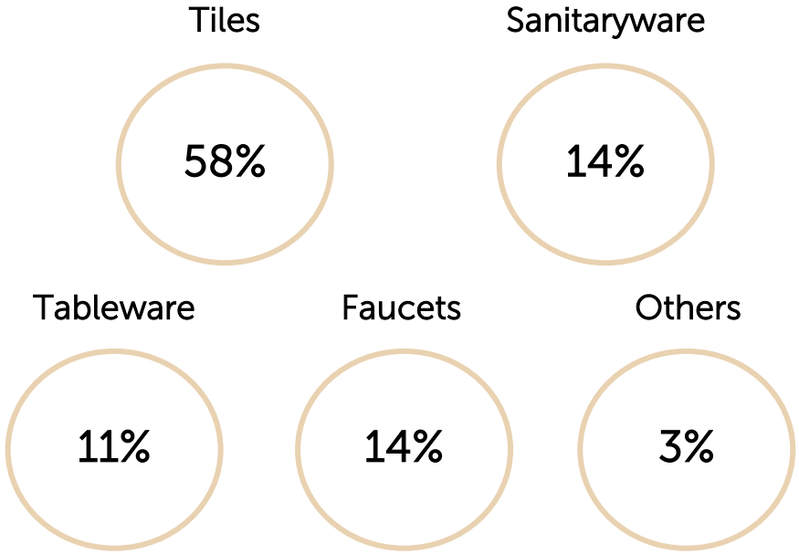
Group CEO

Global Business Presence

Where we sell



What we sell (Revenue Mix)



Capacity

118MN	5MN	36MN	2.6MN
Square metres of tiles	Pieces of sanitaryware	Pieces of tableware	Pieces of faucets and taps

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Q4 2025 Business Performance Highlight

Segment Highlights

- Tiles recorded declined in both volumes (-7.3%) and value (-4.9%) at AED 493.0 million, primarily driven by KSA, the Middle East, India, and Europe.
- Sanitaryware recorded a volume decline of 6.6% and revenue decline of 3.9%, driven by weaker performance across all markets except the UAE and America markets.
- Tableware revenue delivered strong growth of 6.6%, driven by the UAE, Europe, and African markets supported by sales to the airline industry and premium hospitality projects.
- Faucets revenue grew by 3.1% YoY, primarily driven by improved performance in KSA, Europe, Asia, and Africa. We are progressing towards our plan for cost optimisation by shifting major EU Faucets production facilities to UAE.

Tiles & Sanitaryware Market Highlights

- **UAE:** Registered a strong 17.0% YoY revenue growth, supported by sustained momentum in the real estate sector and favorable market dynamics.
- **KSA:** Revenue continues to face challenges due to liquidity crunch, intensified competition, and oversupply from local tile manufacturers leading to a 33.7% decline in Q4 2025. We are actively focusing on refining our strategy around project and retail segments, emphasizing premium and differentiated products to support both revenue and margin recovery.
- **Europe:** Revenue declined by 11.3% YoY on account of challenges faced in UK & Italy. Revenue remains under pressure due to stagnant growth, persistent inflation, and continued recessionary concerns. In contrast, Germany market shown resilience during the quarter.
- **India:** Revenue decreased by 28.8% YoY. Reduced exports have led to oversupply in the price-sensitive domestic market, intensifying competition. We continue to implement turnaround strategies to achieve sustained profitability.
- **Bangladesh:** Revenue remained resilient; supported by improvement in overall economic sentiment. We have initiated actions to regain lost market share through new product offerings, competitive pricing strategies, and strengthened distribution channels.

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Key Challenges – Q4 2025

Core Markets	Key Challenges	Our Actions
UAE	Import of cheaper products has increased on account of free trade agreements signed between UAE and other countries	• Our focus is on differentiating through premium products and introducing high-tech innovations that represent breakthroughs in the industry
Saudi Arabia	Intensified competition, oversupply of tiles by local manufacturers has triggered price war in the market, particularly in the housing and commercial segments that are highly price-sensitive.	• Our focus remains on refining our strategy around project and retail segments, emphasizing premium and differentiated products. • We are focusing on new product development with competitive pricing to strengthen our competitive position
Europe	Demand in Europe, particularly in the UK, remains under pressure due to ongoing economic headwinds across the retail and project sectors and intensified competition from regional players. Delay in transformation of Kludi Europe business	• Implementing an operational cost-optimization strategy to strengthen margin resilience and drive cost efficiencies, alongside project business reactivation with developers and contractors. • Continue executing the KLUDI turnaround plan, including shifting production capabilities from EU to the UAE to improve performance
India	Reduced exports have led to oversupply in the price-sensitive domestic market, intensifying competition	• Currently working on the implementation of turnaround strategies to achieve sustained profitability • Plans to strengthen our Retail presence, including revamping of retail stores & own showrooms and expanding our dealer network
Bangladesh	Intense local competition is putting pressure on ASPs	• We are working on turnaround initiatives to regain our lost market share and restore profitability • Implementing competitive pricing strategies, differentiating through high-quality products and innovative offerings, establishing strong distribution networks

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Key Strategic Updates - 2025

UAE

- Our Tiles Division is undergoing an upgrade with cutting-edge technology to manufacture differentiated, large-format tiles catering to high-end markets.
- Our Sanitaryware facility is being modernized with energy-efficient technology, reducing carbon emission and aligning with our sustainability objectives.
- We are running a full-scale program that leads to a radical improvement of product supply flows (both make-to-order and make-to-stock), on-time-delivery performance, and rotation of the finished goods inventory

KSA

- We are making steady progress on the greenfield production facility in Yanbu, KSA.-expected completion by Q1 2027.
- We are focusing on new product development with competitive pricing, to compete with local regional players in housing and commercial projects.
- Additionally, we are focusing on premium and differentiated product offerings to strengthen our retail and project channels, thereby enhancing margins

Europe

- We are focusing on operational cost-optimization strategy to strengthen margin resilience and drive cost efficiencies.
- We remain committed to improving Kludi's operational performance and are progressing with our cost-optimization strategy, including relocating key EU production facilities to the UAE

India

- We are enhancing our retail presence and elevating the in-store experience to better engage customers
- We are focusing on geographical expansion by adding new dealers to strengthen our presence across more districts in India and grow our institutional business reach
- Implementing focused initiatives to recover lost market share while improving operational efficiency to restore and sustain profitability.

Bangladesh

- We are focusing on establishing a robust distribution network to ensure reliable delivery of high-quality products, leveraging innovation to differentiate ourselves from competitors.
- Implementing competitive pricing aligned with local market dynamics, supported by customer loyalty programs, regular feedback, and responsive after-sales service

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Q4 & FY 2025 Financial Performance Update

Speaker: PK Chand
Group CFO

Financial Snapshot – Q4 2025

RAK CERAMICS



REVENUE

AED 856.4M

⇩ 1.7% YoY



GROSS MARGIN

39.1%

⇧ 190bps YoY



PROFIT BEFORE TAX

AED 94.0M

⇧ 14.5% YoY



NET PROFIT AFTER TAX

AED 65.8M

⇧ 2.5% YoY*

** UAE Corporate tax impact 22.8m vs 7.9m in last year*



NET PROFIT
After Minority

AED 65.0M

⇧ 10.7% YoY



EBITDA

AED 159.6M

⇧ 1.0% YoY



NET DEBT

AED 1.49BN

⇩ 145M QoQ
Due to decrease in working capital



Net Debt to EBITDA

2.40X

2.63x in September 25

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Financial Snapshot – FY 2025

RAK CERAMICS



REVENUE

AED 3.28BN

⇧ 1.6% YoY



GROSS MARGIN

40.0%

⇧ 70 bps YoY



PROFIT BEFORE TAX

AED 331.8M

⇧ 19.9% YoY



NET PROFIT AFTER TAX

AED 248.5M

⇧ 6.2% YoY*

** UAE Corporate tax impact 69.8 vs 34.9m in last year*



NET PROFIT
After Minority

AED 243.7M

⇧ 10.2% YoY



EBITDA

AED 623.6M

⇧ 5.3% YoY



NET DEBT

AED 1.49BN

⇧ 99.6M vs Dec 24
Due to higher capex YoY



Net Debt to EBITDA

2.40X

2.35x in Dec 24

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Revenue Highlights – Q4 2025

MANAGEMENT COMMENTS

- Q4 2025 revenue is at AED 856.4m, lower by 1.7% year-on year.
- Tiles revenue decreased by 4.9% at AED 493.0 million, primarily driven by lower sales in KSA, the Middle East, India, and Europe.
- Sanitaryware revenue recorded decline of 3.9% YoY to AED 115.7 million, driven by weaker performance across all markets except the UAE and America.
- Tableware revenue delivered strong revenue growth of 6.6% YoY at 108.5 million, driven by the UAE, Europe, and African markets supported by sales to the airline industry and premium hospitality projects.
- Faucets revenue grew by 3.1% YoY at AED 112.9 million, primarily driven by improved performance in KSA, Europe, Asia, and Africa.
- Other revenue increased by 24.8% to AED 26.3m driven by Ceramic trading business.

TOTAL REVENUE (AED MN)

	Quarterly Comparison					Yearly Comparison		
	Q4 24	Q3 25	Q4 25			FY 2024	FY 2025	
	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	Growth
United Arab Emirates	226.8	236.9	265.5	17.0%	12.1%	842.5	955.8	13.4%
Kingdom of Saudi Arabia	85.3	51.9	56.5	-33.7%	8.8%	282.0	232.1	-17.7%
Middle East (Ex. UAE & KSA)	33.5	30.1	28.4	-15.1%	-5.7%	120.9	128.3	6.1%
India	103.9	82.8	73.9	-28.8%	-10.8%	364.7	331.1	-9.2%
Europe	80.2	85.2	71.1	-11.3%	-16.5%	341.0	323.3	-5.2%
Bangladesh	65.7	61.9	66.0	0.4%	6.5%	209.9	220.5	5.0%
Africa	24.6	33.9	26.6	8.0%	-21.5%	102.9	105.6	2.6%
Rest of the world	18.5	20.7	20.6	11.7%	-0.2%	64.5	65.6	1.7%
Total Tiles & Sanitaryware Revenue	**638.5**	**603.5**	**608.7**	**-4.7%**	**0.9%**	**2,328.5**	**2,362.3**	**1.5%**
Tableware revenue	101.8	84.8	108.5	6.6%	28.0%	369.2	364.1	-1.4%
Faucets revenue	109.5	118.3	112.9	3.1%	-4.6%	444.7	465.2	4.6%
Others revenue	21.0	18.3	26.3	24.8%	43.7%	89.6	92.9	3.7%
Total Revenue	**870.9**	**824.9**	**856.4**	**-1.7%**	**3.8%**	**3,232.0**	**3,284.6**	**1.6%**

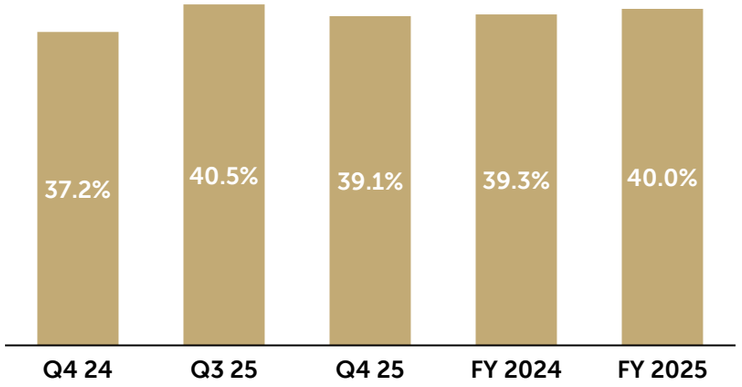
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Gross Profit Margin

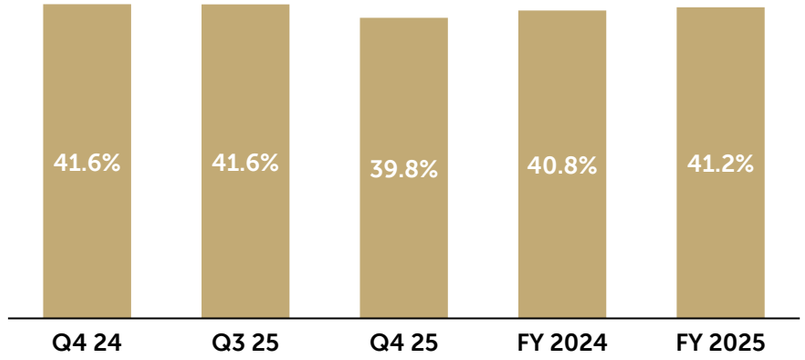
MANAGEMENT COMMENTS

- Q4 2025 Gross Profit Margin grew by 190 bps year-on-year to 39.1%, primarily driven by higher sales in UAE market. In FY 2025, the Gross Profit Margin improved by 70 bps year-on-year to 40.0%
- Tiles margin in Q4 2025 decreased by 180 bps compared to Q4 2024 at 39.8% due to pricing pressure in the India and Bangladesh markets amid rising competition. In FY 2025, Margin improved by 50 bps year-on-year to 41.2%.
- Sanitaryware margin in Q4 2025, improved by 320 bps year-on-year, reaching 31.1% and in FY 2025 it increased by 260 bps at 33.6%, supported by enhanced operational efficiencies and higher sales in the UAE market.
- Tableware margin in Q4 2025 improved by 820 bps year-on-year at 54.4%, and in FY 2025 it increased by 350 bps at 54.6% supported by higher sales to the airline industry and premium hospitality projects. .
- Faucets GP margin increased by 270 bps year on year at 24.1% in Q4 2025 due to enhanced operational efficiencies at the UAE plant. While in FY 2025, margin decreased by 380bps at 24.2% due to Kludi Europe transformation.

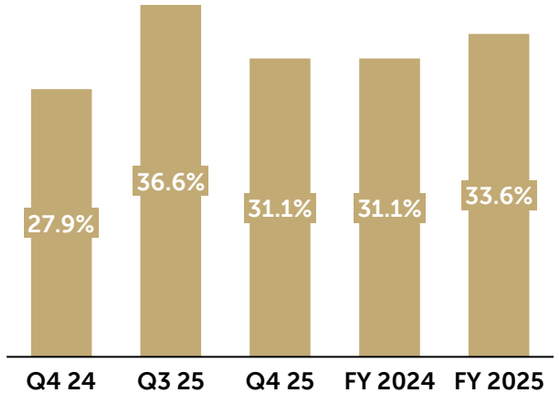
Total Gross Margin (%)



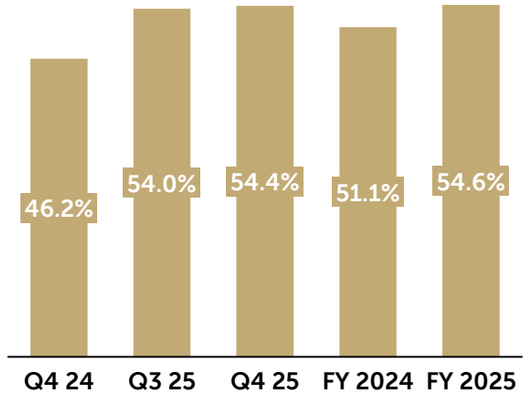
Tiles Gross Margin (%)



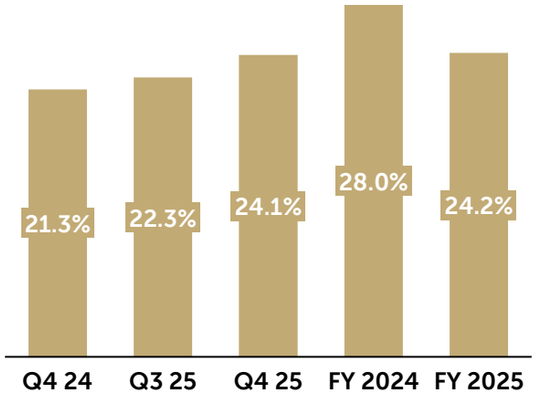
Saniataryware Gross Margin (%)



Tableware Gross Margin (%)



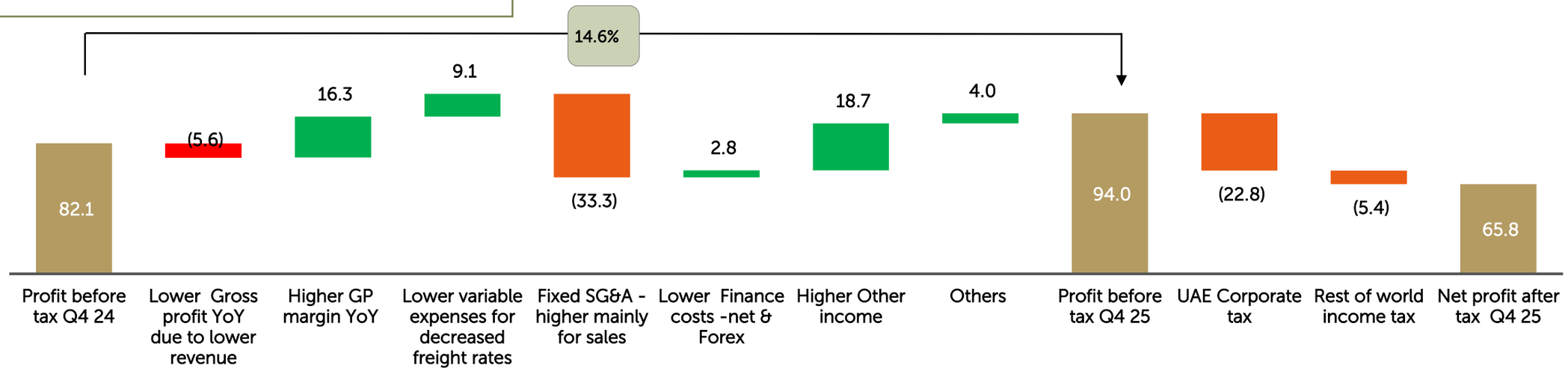
Faucets Gross Margin (%)



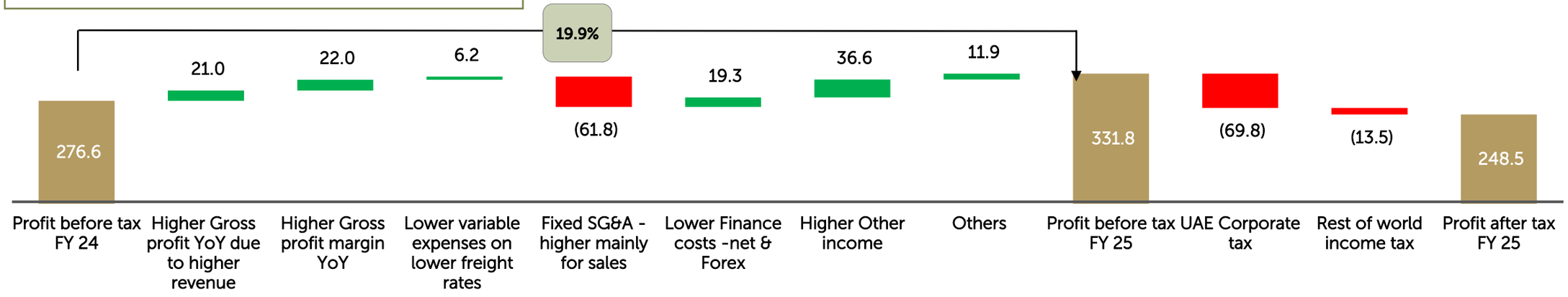
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Profitability Bridge

Q4 2025 vs Q4 2024 Profit Bridge (AEDM)



FY 2025 vs FY 2024 Profit Bridge (AEDM)



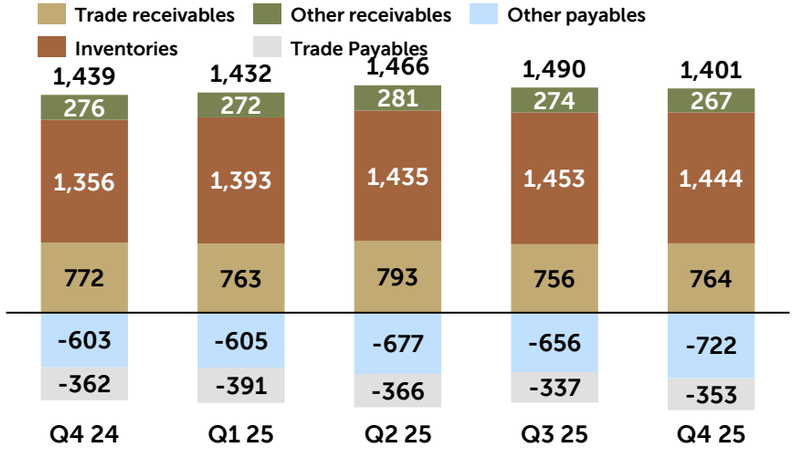
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Balance Sheet Highlights

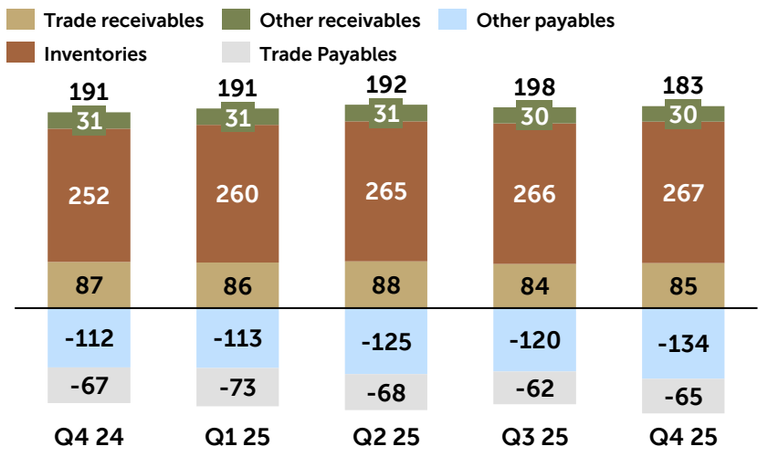
MANAGEMENT COMMENTS

- Overall working capital decreased by AED 89.0 million at 1.40 billion in Q4 2025 compared to Q3 2025.
- Trade receivables days slightly increased from 84 days in Q3 2025 to 85 days in Q4 2025.
- Inventory days increased from 266 days to 267 days QoQ.
- Trade payable increased from 62 days in Q3 2025 to 65 days in Q4 2025.
- Other payable days increased from 120 days in Q3 2024 to 134 days in Q4 2025 due to increase in provisions.
- Net debt decreased by AED 144.5m at 1.49 billion compared to Sep 2025 due to decrease in working capital. Net debt to EBITDA also decreased from 2.63x September 2025 to 2.40x in December 2025.
- Capex Spending was AED 274 million in 2025 out of which ~ 134 million relates to upgradation of large-format tiles manufacturing plants. Capex guidance for 2026 is at AED 500 million (including capex of 150 million for Green field project in KSA. Total estimated capex (excluding working capital) for KSA project is AED 250 million.

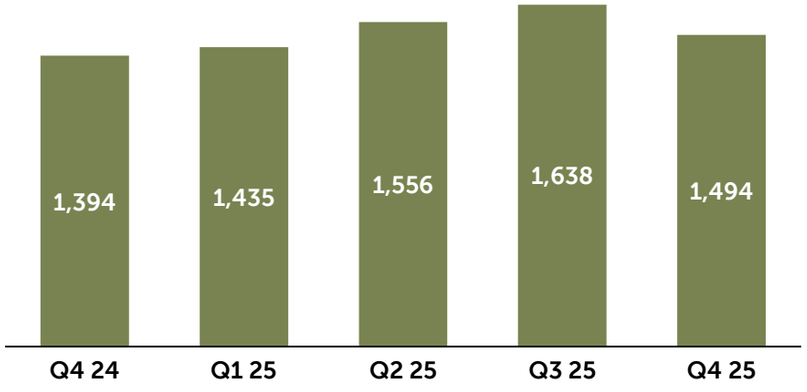
WORKING CAPITAL CYCLE (AED MN)



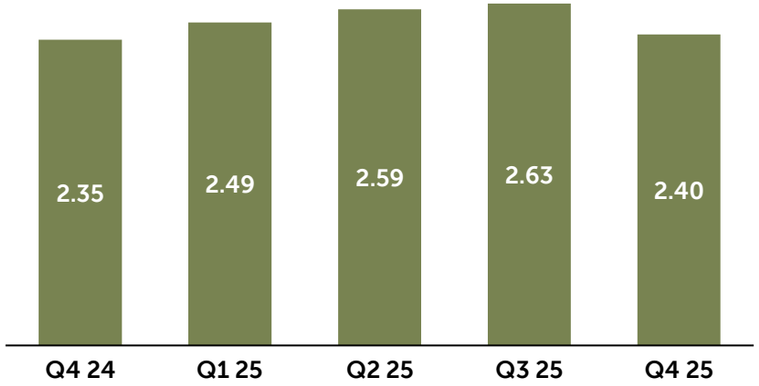
WORKING CAPITAL (DAYS)



NET DEBT (AED MN)



NET DEBT TO EBITDA (X)



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Share Price Update

Speaker: PK Chand

Group CFO

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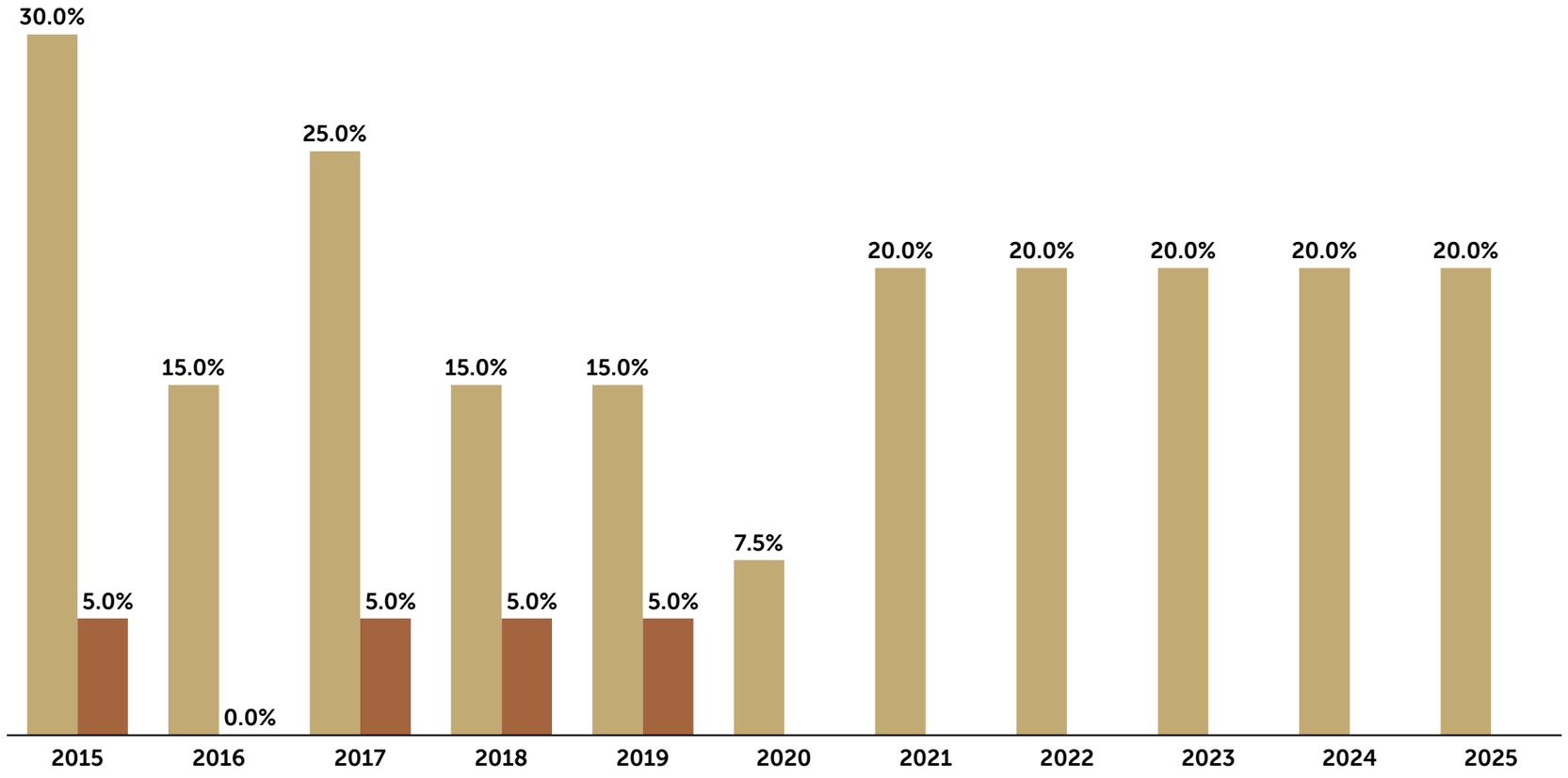
Dividend Update

Management comments

In-line with its dividend policy commitment, the Board proposed to distribute annual cash dividend of 10 fils per share for second half of 2025 (AED 99.4million).

For 2025-2027, the following Dividend policy was approved in Annual General Meeting in March 2025.

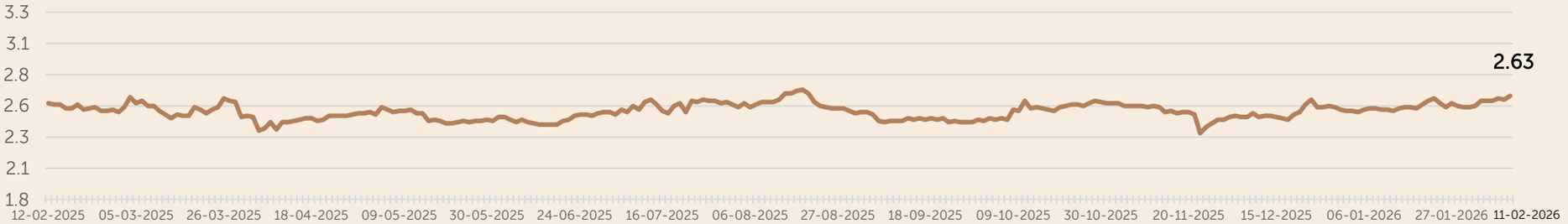
"RAK Ceramics is committed to returning capital to shareholders via a sustainable dividend policy, aiming at a minimum payout of 20 fils per share on a semi-annual basis for FY 2025 subject to consideration of factors such as business outlook, capital requirement for growth opportunities, expansion plans, optimal leverage levels and healthy cash reserves in addition to regulatory approvals. To further enhance the visibility to the shareholders, RAK Ceramics commits to pay a minimum dividend of 60 fils over the next 3 years (i.e. 2025 – 2027".



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RAK Ceramics Share Price Movement

RAK Ceramics (RAKCEC) Share Price Performance (AED- LTM)



	AED
WAP	**2.50**
52 week high	**2.68**
52 week low	**2.33**

As of 11th Feb 2026

CURRENT VALUATION (AED M)

	11/2/2026	31/12/2024
	Amount	Amount
Share price	2.63	2.49
Number of shares (in Mn)	994	994
Market Cap	2,613	2,475
Net debt	1,494	1,394
Minorities	85	95
Enterprise Value	**4,192**	**3,965**

*Net debt and minorities as of 31st December 2025

LTM TRADING MULTIPLES

	Multiple	
	11/2/2026	31/12/2024
EV / Sales	1.28	1.23
EV / EBITDA	6.72	6.69
P / E	10.72	11.51
P / B	1.16	1.14

~ AED 2.6 Bn

Market Cap (~)

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Closing Remarks

Speaker: Abdallah Massaad

Group CEO

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2026 Priorities

Market share growth and preservation

Maintain strong foothold in UAE

Protect and grow our Tableware division

Increase presence in other export markets, including untapped markets with high growth potential

KLUDI Transformation

Transform KLUDI into a global high-end faucet brand, complementing RAK Ceramics sanitaryware offering, and build-on identified synergies and integration plan to improve performance

Business, Operations & Risk management

Optimize operations enhancing efficiencies and mitigate actively rising risks

Improving bottom-line performance across all subsidiaries, by implementing turnaround strategies

Retail Expansion & Brand awareness

Focus on strengthening retail presence & create Brand awareness in focus markets by opening new showroom, refurbishing existing outlets, and rolling out e-commerce into additional markets

Production Capabilities Growth

Rationalize footprint and increase capacity across all core businesses via plant addition and enhancements

Accelerate completion of the Greenfield Tiles project in Yanbu, KSA

Operational Excellence

Explore and diversify into new markets in terms of sales, sourcing and potentially manufacturing.

Leveraging on KLUDI Sanitaryware to fuel growth by catering to premium projects

Efficiencies across the Group

Improved efficiency across manufacturing, working capital, compliance & sustainability - supported by a clearly defined ESG-led sustainability strategy integrated across all operations

Digital Acceleration

Improve operating model practicing agility and digitization to enable enhanced analytics and data-driven decision-making capabilities

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Q&A



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APPENDIX

Financial Highlights

	Quarterly comparison					Yearly Comparison		
	Q4 24	Q3 25	Q4 25			FY 2024	FY 2025	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	870.9	824.9	**856.4**	-1.7%	3.8%	3,232.0	**3,284.6**	1.6%
Gross margin (%)	37.2%	40.5%	**39.1%**	1.9%	-1.4%	39.3%	**40.0%**	0.7%
EBITDA	158.0	167.7	**159.6**	1.0%	-4.8%	592.2	**623.6**	5.3%
Profit before tax	82.1	86.6	**94.0**	14.5%	8.5%	276.6	**331.8**	19.9%
Profit after tax	64.2	67.5	**65.8** *	2.5%	-2.5%	234.1	**248.5***	6.2%
Capital expenditure	50.8	59.4	**58.2**	14.6%	-2.0%	183.3	**273.8**	49.3%
Net debt	1394.2	1,638.3	**1,493.8**	7.1%	-8.8%	1,394.2	**1,493.8**	7.1%
Net debt / EBITDA	2.35x	2.63x	**2.4x**	1.7%	-9.0%	2.35x	**2.4x**	1.7%

*UAE Corporate tax impact is AED 22.8m vs 7.9m in Q4 2025 vs LY and in FY it is AED 69.8m vs 34.9m in last year

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EBITDA Working

	Quarterly comparison			Yearly comparison	
	Q4 24	Q3 25	Q4 25	FY 2024	FY 2025
Amount in AED M	Amount	Amount	Amount	Amount	Amount
Net profit/(loss) after tax	**64.2**	**67.5**	**65.8**	234.1	248.5
Tax	17.8	19.1	28.2	42.6	83.3
Interest- net	26.1	24.7	24.3	110.8	95.8
Depreciation & amortization	54.2	58.2	55.8	207.8	219.6
Gain on valuation of land	-	-	(11.6)	-	(11.6)
(Gain) on sale of assets/CWIP write-off	(4.3)	(1.8)	(2.9)	(3.0)	(12.0)
EBITDA	**158.0**	**167.7**	**159.6**	**592.2**	**623.6**

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Thank You

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CONTACT US

If you have any questions or require further information, please visit corporate.rakceramics.com or contact investor relations team at ir@rakceramics.com