RAK Ceramics delivers resilient Q2 2026 performance amid regional disruptions

Strong demand in the UAE, KSA and Bangladesh supported resilient results, alongside disciplined operational execution

Group Financial Highlights

- **Group Revenue:** reached AED 822.8 million in Q2 2026, demonstrating the Group's resilience and ability to effectively navigate a challenging operating environment.
- **Gross profit margin:** Gross profit margin increased to 41.0% in Q2 2026, compared to 40.6% in Q2 2025; supported by higher sales in the UAE and Bangladesh along with favorable product mix.
- **Net profit after tax**: increased by 2.9% YoY to AED 68.3 million in Q2 2026, from AED 66.4 million in Q2 2025.
- **EBITDA:** stood at AED 157.5 million in Q2 2026, from AED 160.8 million in Q2 2025.
- **Financial Health**: Net Debt decreased by 2.6% YoY to AED 1.52 billion in June 2026, Net debt to EBITDA stood at 2.48x, compared to 2.53x in March 2026.
- The Board of Directors proposed an interim dividend distribution of 10 fils per share (AED 99.3 million) for H1 2026.

Ras Al Khaimah, United Arab Emirates, 6th August 2026: RAK Ceramics PJSC (Ticker: RAKCEC: Abu Dhabi), one of the world's leading lifestyle ceramics brands, reported resilient financial results for the second quarter ending 30th June 2026.

Financial Highlights

RAK Ceramics delivered a resilient Q2 2026 performance despite ongoing regional disruptions, supply chain challenges, and elevated logistics costs. Strong demand across the UAE, KSA, and Bangladesh, combined with proactive management actions, ensured uninterrupted customer supply and operational continuity.

The Group remained focused on strengthening its market share across the region while making every effort to support customers in other markets. As a regional manufacturer with strong production and distribution capabilities, RAK Ceramics maintained consistent product availability and reliable service delivery across its network, supporting customers, partners, and the wider ecosystem throughout the period.

These efforts reinforced customer confidence and demonstrated the Group's ability to effectively navigate a challenging operating environment.

In Q2 2026, **total revenue** was AED 822.8 million, a marginal decline of 0.5% YoY from AED 826.8 million in Q2 2025. For H1 2026, total revenue stood at AED 1,583.5 million, down 1.2% compared to AED 1,603.3 million in H1 2025.

In Q2 2026, **Gross profit** margin increased to 41.0%, compared to 40.6% in Q2 2025. For H1 2026, Gross profit margin remained stable at 40.2%, in line with H1 2025.

In Q2 2026, **Profit before tax** declined marginally by 1.1% YoY to AED 85.7 million, compared to AED 86.7 million in Q2 2025. For H1 2026, Profit before tax declined by 8.3% YoY to AED 138.7 million, compared to AED 151.2 million in H1 2025

In Q2 2026, **Net profit after tax** increased by 2.9% YoY to AED 68.3 million, from AED 66.4 million in Q2 2025. For H1 2026, Net profit after tax declined by 7.6% YoY to AED 106.5 million, compared to AED 115.2 million in H1 2025

In Q2 2026, **EBITDA** declined marginally by 2.0% to AED 157.5 million from AED 160.8 million in Q2 2025. For H1 2026, EBITDA declined by 3.9% YoY to AED 284.8 million, compared to AED 296.4 million in H1 2025

Net debt position stood at AED 1.52 billion, down by 2.6% YoY. Net debt to EBITDA stood at 2.48x from 2.53x in March 2026.

Financial highlights

	Quarterly comparison					Yearly Comparison		
	Q2 25	Q1 26	Q2 26			6M 2025	6M 2026	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	826.8	760.7	**822.8**	-0.5%	8.2%	1,603.3	**1,583.5**	-1.2%
Gross margin (%)	40.6%	39.4%	**41.0%**	0.4%	1.7%	40.2%	**40.2%**	0.1%
EBITDA	160.8	127.3	**157.5**	-2.0%	23.8%	296.4	**284.8**	-3.9%
Profit before tax	86.7	53.0	**85.7**	-1.1%	61.8%	151.2	**138.7**	-8.3%
Profit after tax	66.4	38.2	**68.3**	2.9%	78.6%	115.2	**106.5**	-7.6%
Capital expenditure	59.6	42.8	**57.3**	-3.9%	33.9%	156.2	**100.1**	-35.9%
Net debt	1,555.6	1,556.3	**1,515.3**	-2.6%	-2.6%	1,555.6	**1,515.3**	-2.6%
Net debt / EBITDA	2.59x	2.53x	**2.48x**	-0.11x	-0.05x	2.59x	**2.48x**	-0.11x

Segment performance highlights

- **Tiles segment**: Revenue in the Tiles segment increased by 1.7% to AED 482.5 million in Q2 2026, on account higher sales in UAE, KSA and Bangladesh. Continued investment in product innovation and manufacturing technology supported portfolio enhancement and operating efficiency.
- **Sanitaryware:** Revenue decreased by 6.9% YoY to AED 113.1 million in Q2 2026, on account of lower sales in the India, Europe and other export markets. The Kludi-branded Sanitaryware is further driving growth by catering to premium projects.
- **Faucets (KLUDI):** Delivered revenue growth of 2.5% YoY to AED 125.4 million in Q2 2026, primarily driven by higher sales in all the markets except Asia and Africa due to the impact of ongoing regional conflicts. We remain committed to improving KLUDI's operational performance and are progressing with our cost-optimization strategy.

- **Tableware**: Revenue declined 13.3% YoY to AED 73.6 million in Q2 2026, driven by ongoing regional conflicts that weakened hospitality demand and tourism across the UAE and GCC markets. Export demand remained firm. During the quarter, Cookplay integration progressed well, supporting portfolio premiumization and design-led growth.

Tiles & Sanitaryware market highlights

- The **UAE** market remained strong during Q2 2026, with revenue up 22.7% YoY to AED 298.2 million, despite ongoing regional conflicts supported by robust real estate and construction activity. Import disruptions due to regional tensions are creating opportunities for market share gains.

- In **Saudi Arabia**, revenue increased by 11.6% YoY in Q2 2026 to AED 60.8 million, primarily on account of strategic shift from volume base (ceramic) to quality of sales (Gres Porcelain) supporting value-led growth. We are making steady progress on the Greenfield Tiles Project in Yanbu - expected completion by Q2 2027, to support long term capacity and cost competitiveness.

- In **Europe,** revenue declined by 35.7% YoY to AED 57.8 million in Q2 2026, primarily due to ongoing regional conflicts that disrupted supplies from the UAE and increased export freight costs. Despite these challenges, RAK Ceramics leveraged inventory buffers to maintain service levels.

- In **India,** revenue declined by 15.8% (in local currency -6.4%) YoY to AED 73.7 million in Q2 2026, mainly due to temporary production disruption caused by industry-wide gas shortages in Morbi. However, the industry demonstrated resilience with a rapid restart by June. We continue to advance strategic initiatives to improve profitability and accelerate market expansion in India

- In **Bangladesh**, revenue increased 20.7% YoY to AED 59.0 million in Q2 2026, supported by strong domestic demand despite the impact of Eid holidays in May. We have initiated targeted actions to increase market share through a focused value creation plan.

- In the **Middle East**, revenue in Q2 2026 declined 5.8% YoY to AED 35.4 million, driven by lower demand in the Gulf region due to ongoing regional conflicts. However, import disruptions from regional tensions are expected to support market share gains.

Commenting on the performance, **Abdallah Massaad, Group Chief Executive Officer of RAK Ceramics**, said:

"RAK Ceramics delivered a stable Q2 2026 performance despite a challenging quarter marked by regional geopolitical tensions, supply chain disruptions, and elevated logistics costs. Strong demand across the UAE, KSA, and Bangladesh, together with proactive management actions and disciplined execution, helped maintain business continuity and profitability.

Throughout this period, our priority was clear: increasing our market share across the region, while making every effort to support customers in other markets. Backed by our strong brand, product quality, and regional manufacturing footprint, we responded quickly to changing market conditions, leveraging locally sourced raw materials, alternative logistics routes, and other practical solutions to maintain reliable supply and service across our network.

Looking ahead, we remain focused on driving value-led growth, capturing additional market share opportunities in our core markets, and delivering value creation initiatives across our European, India & Bangladesh operations. We remain confident in our ability to deliver sustainable long-term value for our stakeholders."

Strategic Highlights

Manufacturing and Operations:

- We are upgrading the UAE sanitaryware facility by adopting energy-efficient technologies, expanding the product portfolio, and implementing initiatives to reduce carbon emissions in line with our sustainability objectives.

Design Spotlight:

- Strengthened design leadership through participation in Milan Design Week and the launch of the Roberto Cavalli x RAK Ceramics collection

Awards & Recognition

- Recognized with multiple international design awards, including Red Dot, iF Design and German Brand Awards, across the RAK Ceramics, RAK Porcelain and KLUDI brands.
- Group CEO Abdallah Massaad named among Gulf Business' CXO 50 leaders, reinforcing RAK Ceramics' leadership position in the region
- Recognized at the MAJRA Federal Government Awards for excellence in ESG and CSR, reinforcing RAK Ceramics' sustainability leadership

About RAK Ceramics

RAK Ceramics is one of the largest Ceramics brands in the world. Specializing in ceramic and Gres porcelain wall and floor tiles, tableware, sanitaryware and faucets, the Company has the capacity to produce 118 million square meters of tiles, 5.7 million pieces of sanitaryware, 36 million pieces of porcelain tableware and 2.6 million pieces of faucets per year at its 23 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 USD $1 billion. Learn more about RAK Ceramics: https://www.rakceramics.com

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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