

RAK

CERAMICS

EARNINGS PRESENTATION – Q3 & 9M 2025
RESULTS

NOVEMBER 2025



Agenda

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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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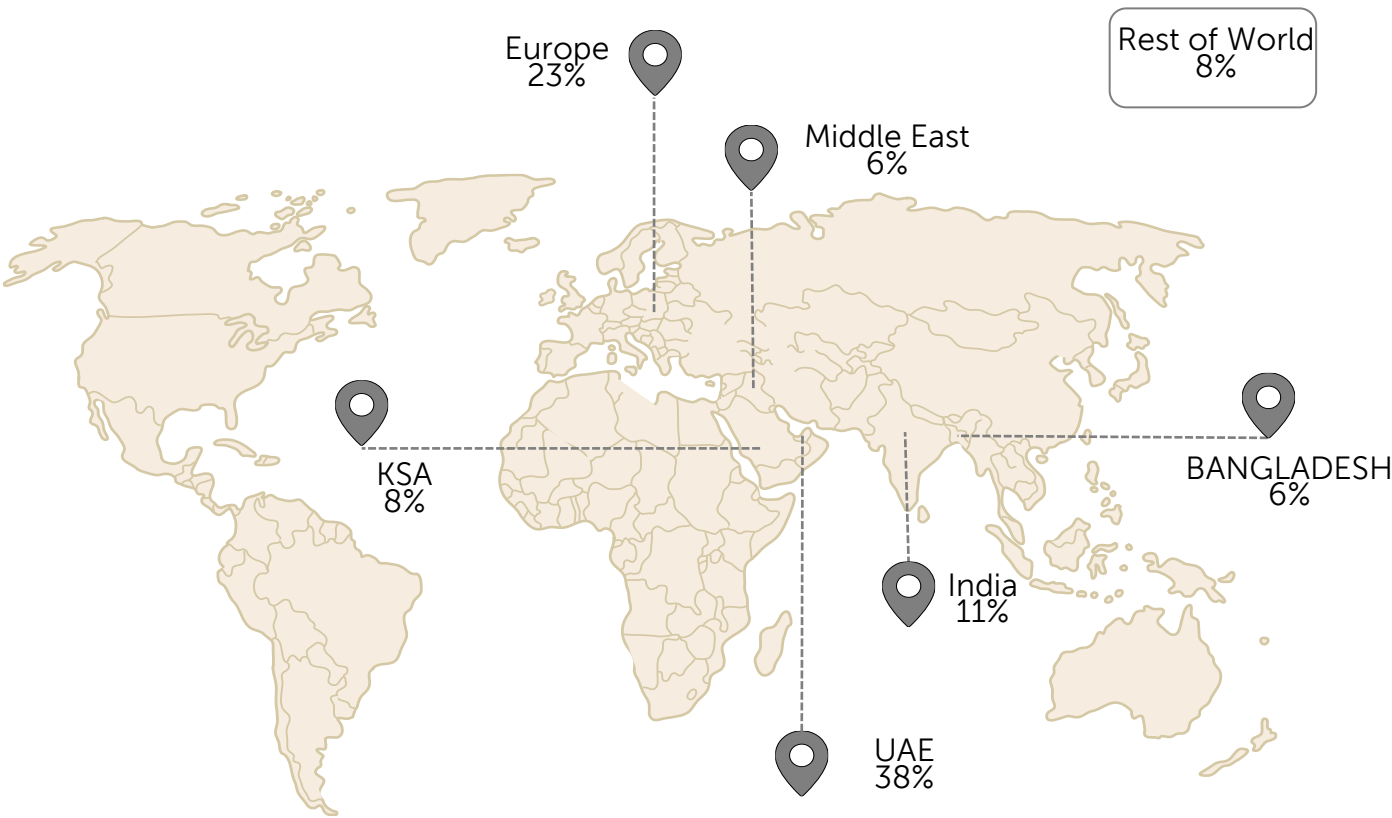
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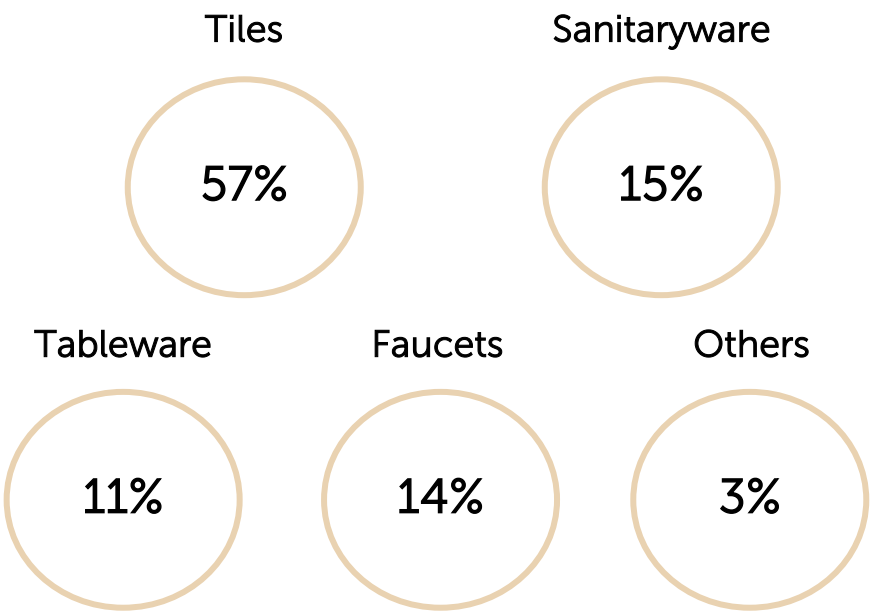
Business Highlights

Speaker: Abdallah Massaad
Group CEO

Where we sell



What we sell (Revenue Mix)



Capacity

118_{MN}
Square metres of tiles

5_{MN}
Pieces of sanitaryware

36_{MN}
Pieces of tableware

2.6_{MN}
Pieces of faucets and taps

Q3 2025 Business Performance Highlight

EARNINGS PRESENTATION Q3/9M 2025

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Segment Highlights

- Tiles revenue recorded growth in both volumes (+7.4%) and value (+2.5%) at AED 479.7 million, led by robust performance in the UAE, India, Bangladesh, and Europe (Germany) and Africa markets.
- Sanitaryware revenue recorded growth of 5.3% YoY to AED 123.8 million, supported by strong demand in the UAE.
- Tableware revenue declined by 0.6% YoY to AED 84.8 million, impacted by slower demand in UAE & Middle East. However, USA, Europe and African markets have performed well driven by expansion of distributors.
- Faucets revenue grew by 8.8%, mainly driven by performance in UAE, Europe and Asia, reaching AED 118.3 million. 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 6.7% 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 24.7% decline in Q3 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 4.9% 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 posted a revenue increase of 14.9% (LCY), driven by stronger market traction.
- **India:** Revenue decreased by 1.4% YoY in local currency. 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 grew by 54.6% YoY in local currency, indicating signs of market recovery.

Key Challenges – Q3 2025

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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	<ul style="list-style-type: none"> 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 which is impacting our gross margins, particularly in the housing and commercial segments that are highly price-sensitive.	<ul style="list-style-type: none"> Our focus on premium products, to strengthen our retail and projects business, is helping us to enhance our margins. We are focusing on new product development with competitive pricing, to strengthen our competitive position
Europe	<p>Demand in Europe, particularly in the UK, remains under pressure due to stagnant growth, persistent inflation and recessionary fears.</p> <p>Delay in transformation of Kludi Europe business</p>	<ul style="list-style-type: none"> Planned initiatives include strengthening brand awareness and presence through events and engagements at the Design Hub with architects and designer community Continue implementing KLUDI turnaround plan including shift in production capabilities from EU to UAE to improve performance
India	Reduced exports have led to oversupply in the price-sensitive domestic market, intensifying competition	<ul style="list-style-type: none"> Plans to strengthen our Retail presence and experience We are working on a plan to introduce product offering from the UAE
Bangladesh	Intense local competition is putting pressure on ASPs	<ul style="list-style-type: none"> Implementing competitive pricing strategies tailored to local purchasing power and market dynamics. Differentiating through high-quality products and innovative offerings, supported by customer loyalty programs, feedback mechanisms, and responsive service

Key Strategic Updates - 2025

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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

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 strategies tailored to local purchasing power and market dynamics.
- We are focusing on differentiating through high-quality products and innovative offerings, supported by customer loyalty programs, feedback mechanisms, and responsive service

India

- We are enhancing our retail presence and elevating the in-store experience to better engage customers
- We are working on a plan to introduce product offering from UAE to improve revenue.

KSA

- We are making steady progress on the greenfield production facility in KSA.
- New product development with competitive pricing, will support us in competing 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 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.



Q3 & 9M 2025 Financial Performance Update

Speaker: PK Chand
Group CFO

Financial Snapshot – Q3 2025

EARNINGS PRESENTATION Q3/9M 2025

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REVENUE

AED 824.9M

↑ 2.8% YoY



GROSS MARGIN

40.5%

↓ 70bps YoY



PROFIT BEFORE TAX

AED 86.6M

↑ 42.4% YoY



NET PROFIT AFTER TAX

AED 67.5M

↑ 20.7% YoY*

* UAE Corporate tax impact 17.3m vs 9.0m in last year



NET PROFIT
After Minority

AED 66.9M

↑ 22.8% YoY



EBITDA

AED 167.7M

↑ 14.7% YoY



NET DEBT

AED 1.64BN

↑ 83M QoQ
Due to higher capex & working capital



Net Debt to EBITDA

2.63x

2.59x in June 25

Financial Snapshot – 9M 2025

EARNINGS PRESENTATION Q3/9M 2025

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REVENUE

AED 2.43BN

↑ 2.8% YoY



GROSS MARGIN

40.3%

↑ 20 bps YoY



PROFIT BEFORE TAX

AED 237.8M

↑ 22.2% YoY



NET PROFIT AFTER TAX

AED 182.8M

↑ 7.6% YoY*

* UAE Corporate tax impact 46.9m vs 23..0m in last year



NET PROFIT
After Minority

AED 178.8M

↑ 10.1% YoY



EBITDA

AED 464.1M

↑ 6.9% YoY



NET DEBT

AED 1.64BN

↑ 244M vs Dec 24
Due to higher capex & working capital



Net Debt to EBITDA

2.63x

2.35x in Dec 24

Revenue Highlights – Q3 2025

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MANAGEMENT COMMENTS

- Q3 2025 revenue is at AED 824.9m, higher by 2.8% year-on year.
- Tiles revenue grew by 2.5% at AED 479.7 million, led by robust performance in the UAE, India, Bangladesh, and Europe (Germany) markets.
- Sanitaryware revenue recorded growth of 5.3% YoY to AED 123.8 million, supported by strong demand in the UAE.
- Tableware revenue declined by 0.6% YoY to AED 84.8 million, impacted by slower demand in UAE & Middle East. However, USA, Europe and African market have performed well driven by expansion of distributors.
- Faucets revenue grew by 8.8%, mainly driven by performance in UAE & Europe, reaching AED 118.3 million. We are progressing towards our plan for cost optimisation by shifting major EU Faucets production facilities to UAE.
- Other revenue decreased by 19.6% to AED 18.3m impacted by decrease in our Ceramic trading business.

TOTAL REVENUE (AED MN)

	Quarterly Comparison					Yearly Comparison		
	Q3 24	Q2 25	Q3 25			9M 2024	9M 2025	
	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	Growth
United Arab Emirates	222.0	242.9	236.9	6.7%	-2.5%	615.7	690.3	12.1%
Kingdom of Saudi Arabia	69.0	54.5	51.9	-24.7%	-4.7%	196.7	175.6	-10.8%
Middle East (Ex. UAE & KSA)	32.9	37.6	30.1	-8.5%	-19.9%	87.4	99.9	14.3%
India	87.1	87.6	82.8	-4.9%	-5.4%	260.9	257.2	-1.4%
Europe	89.6	90.0	85.2	-4.9%	-5.3%	260.8	252.2	-3.3%
Bangladesh	40.7	48.9	61.9	52.2%	26.8%	144.2	154.5	7.1%
Africa	26.7	23.6	33.9	26.9%	43.8%	78.2	79.0	0.9%
Rest of the world	17.7	10.6	20.7	17.1%	94.3%	46.0	44.9	-2.4%
Total Tiles & Sanitaryware Revenue	585.7	595.7	603.5	3.0%	1.3%	1,690.0	1,753.6	3.8%
Tableware revenue	85.3	84.9	84.8	-0.6%	-0.1%	267.3	255.6	-4.4%
Faucets revenue	108.8	122.3	118.3	8.8%	-3.2%	335.2	352.3	5.1%
Others revenue	22.7	23.9	18.3	-19.6%	-23.4%	68.8	66.7	-3.1%
Total Revenue	802.5	826.8	824.9	2.8%	-0.2%	2,361.3	2,428.2	2.8%

Gross Profit Margin

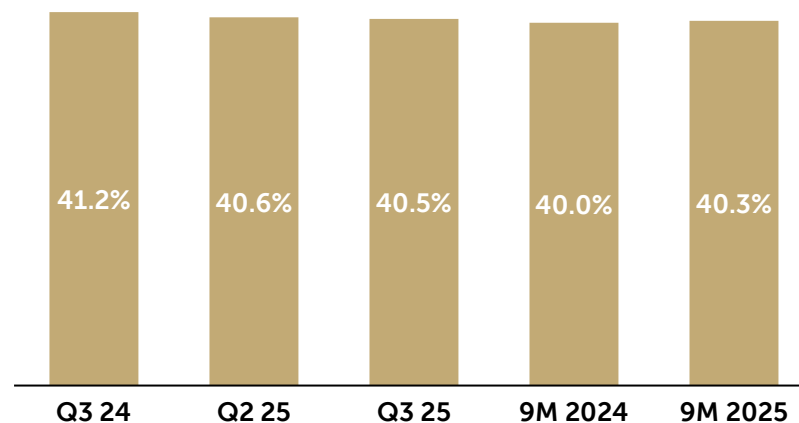
EARNINGS PRESENTATION Q3/9M 2025

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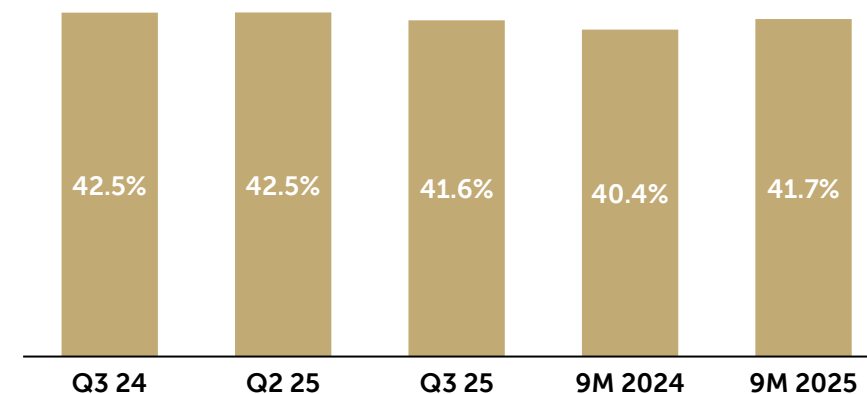
MANAGEMENT COMMENTS

- Q3 2025 Gross Profit Margin declined by 70bps year-on-year to 40.5%, primarily due to pricing pressure in the India and Bangladesh markets amid rising competition. However, for 9M 2025, the Gross Profit Margin improved by 20 bps year-on-year to 40.3%
- Tiles margin in Q3 2025 decreased by 100bps compared to Q3 2024 at 41.6% due to pricing pressure in the India and Bangladesh markets amid rising competition.
- Sanitaryware margin in Q3 2025, improved by 280 bps year-on-year, reaching 36.6%, primarily due to better operational efficiencies, favourable product mix and increased sales in the UAE market.
- Tableware margin in Q3 2025 improved by 120 bps year-on-year at 54.0%, supported by higher sales to the airline industry.
- Faucets GP margin decreased by 660bps year on year at 22.3% in Q3 2025 due to lower margins in European market on account of transformation activities in Europe.

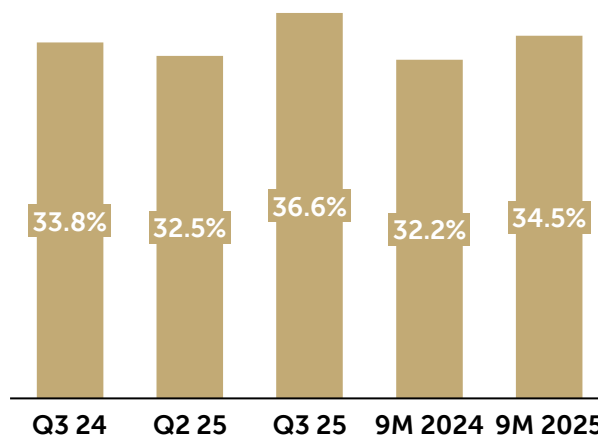
Total Gross Margin (%)



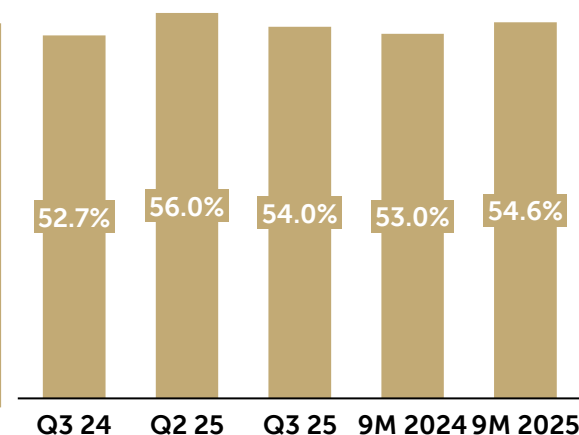
Tiles Gross Margin (%)



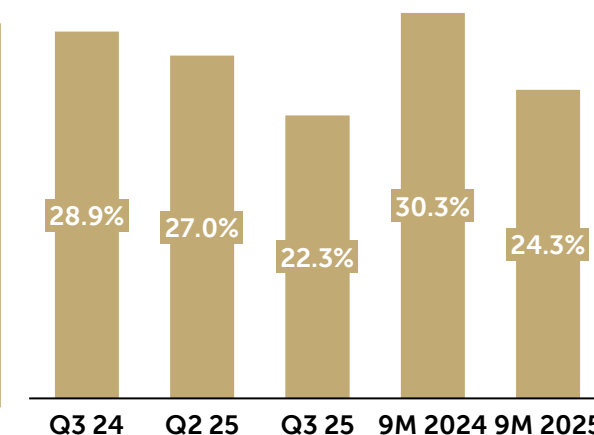
Sanitaryware Gross Margin (%)



Tableware Gross Margin (%)



Faucets Gross Margin (%)

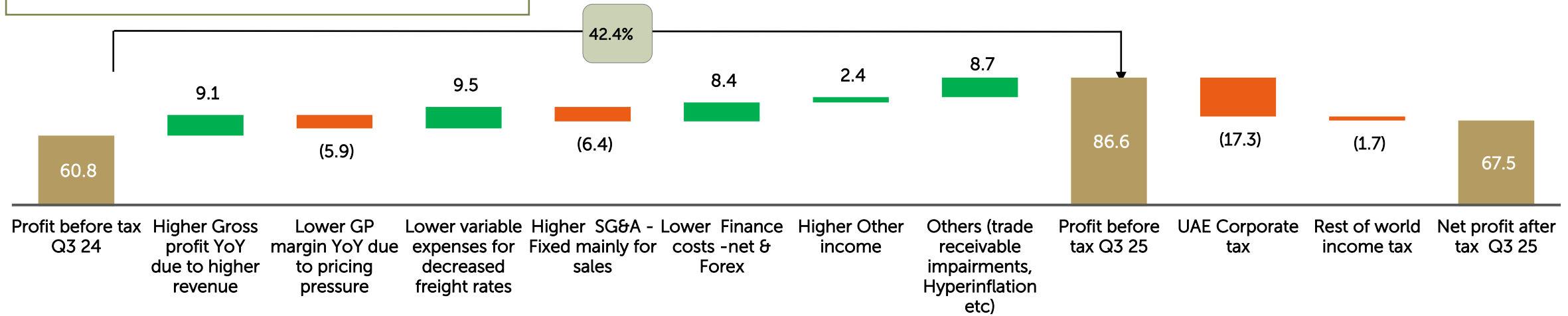


Profitability Bridge

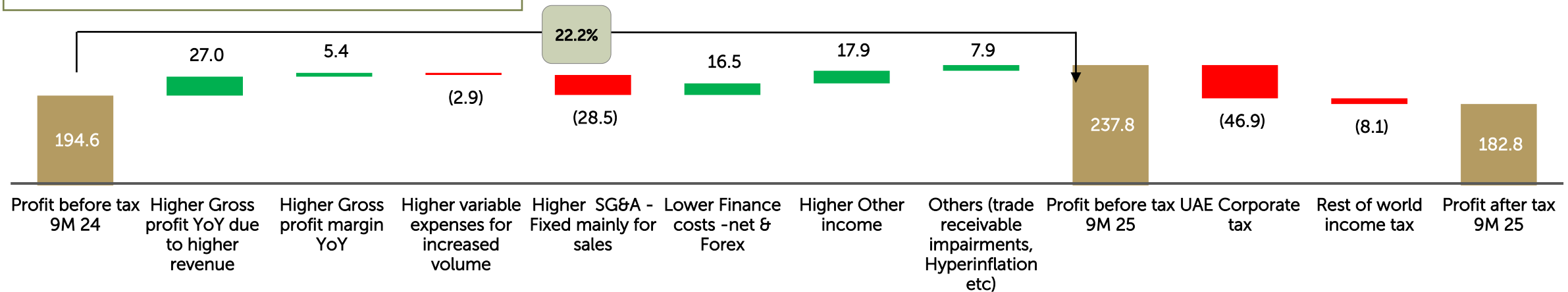
EARNINGS PRESENTATION Q3/9M 2025

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Q3 2025 vs Q3 2024 Profit Bridge (AEDM)



9M2025 vs 9M 2024 Profit Bridge (AEDM)



Balance Sheet Highlights

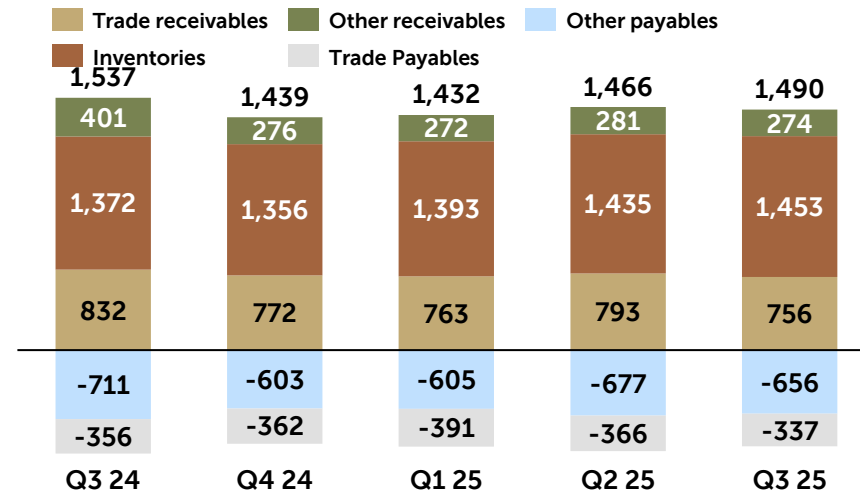
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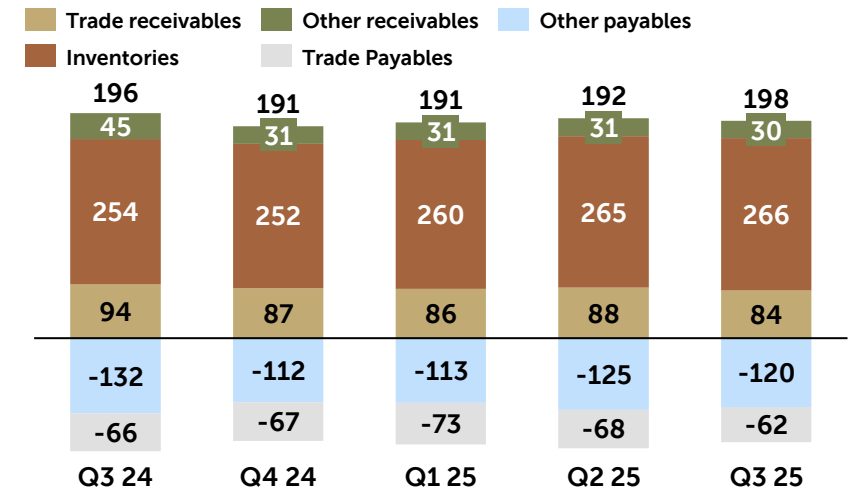
MANAGEMENT COMMENTS

- Overall working capital increased by AED 23.0 at AED 1.49 billion in Q3 2025 compared to June 2025.
- Trade receivables decreased from 88 days in Q2 2025 to 84 days in Q3 2025 due to strict credit control.
- Inventory days increased from 265 days to 266 days QoQ due to increase in Finished goods stock.
- Trade payable decreased from 68 days in Q2 2025 to 62 days in Q3 2025 mainly due to Capex payments.
- Net debt increased by AED 82.7m at 1.64 billion compared to June 2025 due to UAE corporate tax payment (AED 31.4m for 2024), higher capex and working capital. Net debt to EBITDA also increased from 2.59x June 2025 to 2.63x in September 2025.
- Capex Spending was AED 215.6 million in 9M 2025 out of which ~ 134 million relates to upgradation of large-format tiles manufacturing plants. Capex guidance for 2025 is revised at AED 300 million.

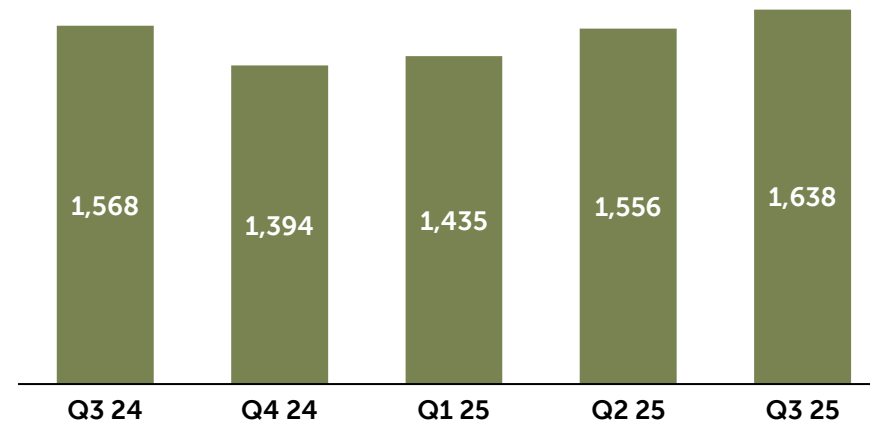
WORKING CAPITAL CYCLE (AED MN)



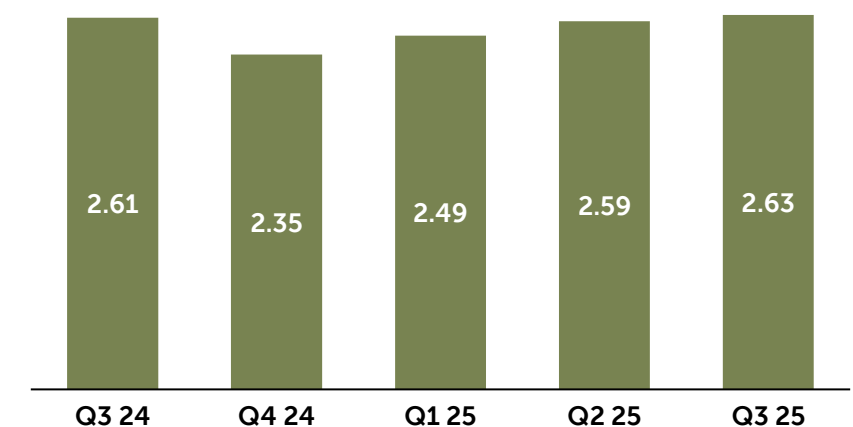
WORKING CAPITAL (DAYS)



NET DEBT (AED MN)



NET DEBT TO EBITDA (X)





Share Price Update

Speaker: PK Chand
Group CFO

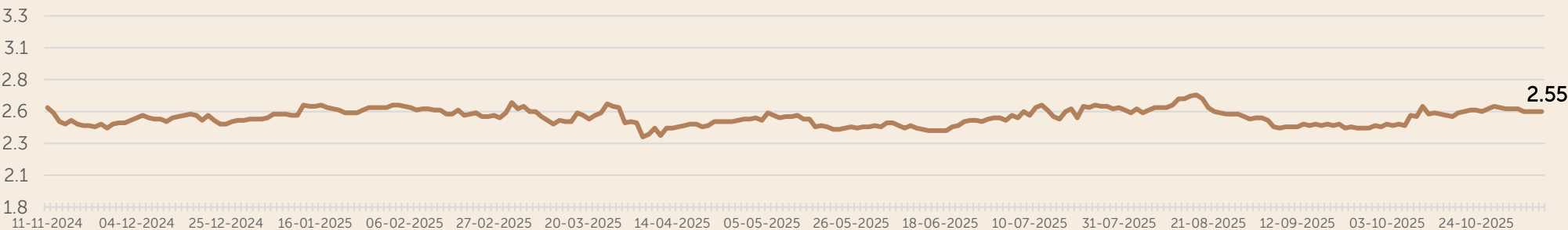
RAK Ceramics Share Price Movement

EARNINGS PRESENTATION Q3/9M 2025

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

RAK CERAMICS (RAKCEC) SHARE PRICE PERFORMANCE (AED)



	AED
WAP	2.50
52 week high	2.68
52 week low	2.35

As of 10th Nov 2025

CURRENT VALUATION (AED M)

	10/11/2025	31/12/2024
	Amount	Amount
Share price	2.55	2.49
Number of shares (in Mn)	994	994
Market Cap	2,534	2,475
Net debt	1,638	1,394
Minorities	85	95
Enterprise Value	4,257	3,965

LTM TRADING MULTIPLES

	Multiple	
	10/11/2025	31/12/2024
EV / Sales	1.31	1.23
EV / EBITDA	6.94	6.69
P / E	10.92	11.51
P / B	1.18	1.14

~ AED 2.5 Bn

Market Cap (~)

*Net debt and minorities as of 30th September 2025



Closing Remarks

Speaker: Abdallah Massaad
Group CEO

2025 Priorities

EARNINGS PRESENTATION Q3/9M 2025

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Market share growth and preservation

Maintain healthy competition across all core markets and segments albeit increased challenges



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



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



Business, Operations & Risk management

Optimize operations enhancing efficiencies and mitigate actively rising risks improving bottom-line performance across all subsidiaries



Digital Acceleration

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



Production Capabilities Growth

Rationalize footprint and increase capacity across all core businesses via plant additions, enhancements in addition to greenfield



Operational Diversification

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



Sustainability stimulation

Define and implement a sustainability strategy incorporating ESG initiatives into RAK Ceramics identity and across all operations





APPENDIX

Financial Highlights

EARNINGS PRESENTATION Q3/9M 2025

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	Quarterly comparison					Yearly Comparison		
	Q3 24	Q2 25	Q3 25			9M 2024	9M 2025	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	802.5	826.8	824.9	2.8%	-0.2%	2,361.2	2,428.2	2.8%
Gross margin (%)	41.2%	40.6%	40.5%	-0.7%	-0.1%	40.0%	40.3%	0.2%
EBITDA	146.2	160.8	167.7	14.7%	4.2%	434.2	464.1	6.9%
Profit before tax	60.8	86.7	86.6	42.4%	-0.1%	194.6	237.8	22.2%
Profit after tax	55.9	66.4	67.5 *	20.7%	1.7%	169.9	182.8 *	7.6%
Capital expenditure	35.2	59.6	59.4	68.7%	-0.4%	132.5	215.6	62.7%
Net debt	1568.4	1,555.6	1,638.3	4.5%	5.3%	1,568.4	1,638.3	4.5%
Net debt / EBITDA	2.61x	2.59x	2.63x			2.61x	2.63x	-

*UAE Corporate tax impact is AED 17.3m vs 9.0m in Q3 2025 vs LY and in 9M it is AED 46.9m vs 23.0 m in last year

EBITDA Working

EARNINGS PRESENTATION Q3/9M 2025

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	Quarterly comparison			Yearly comparison	
	Q3 24	Q2 25	Q3 25	9M 2024	9M 2025
Amount in AED M	Amount	Amount	Amount	Amount	Amount
Net profit/(loss) after tax	55.9	66.4	67.5	169.9	182.8
Tax	4.9	20.3	19.1	24.7	55.1
Interest- net	29.7	23.7	24.7	84.7	71.4
Depreciation & amortization	53.2	53.8	58.2	153.6	163.9
(Gain) on sale of assets/CWIP write-off	2.4	(3.4)	(1.8)	1.3	(9.1)
EBITDA	146.2	160.8	167.7	434.2	464.1

Thank You

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CONTACT US

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