



# RAK

## CERAMICS

EARNINGS PRESENTATION – Q1 2026 RESULTS

MAY 2026



## Agenda

- 01 | Executive Summary
- 02 | Business Highlights
- 03 | Q1 2026 Financial Results Update
- 04 | Trading Update
- 05 | Closing Remarks
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Abdallah Massaad is Group CEO of RAK Ceramics and has more than 28 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.

Abdallah Massaad  
Group Chief Executive 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.

PK Chand  
Group Chief Financial Officer

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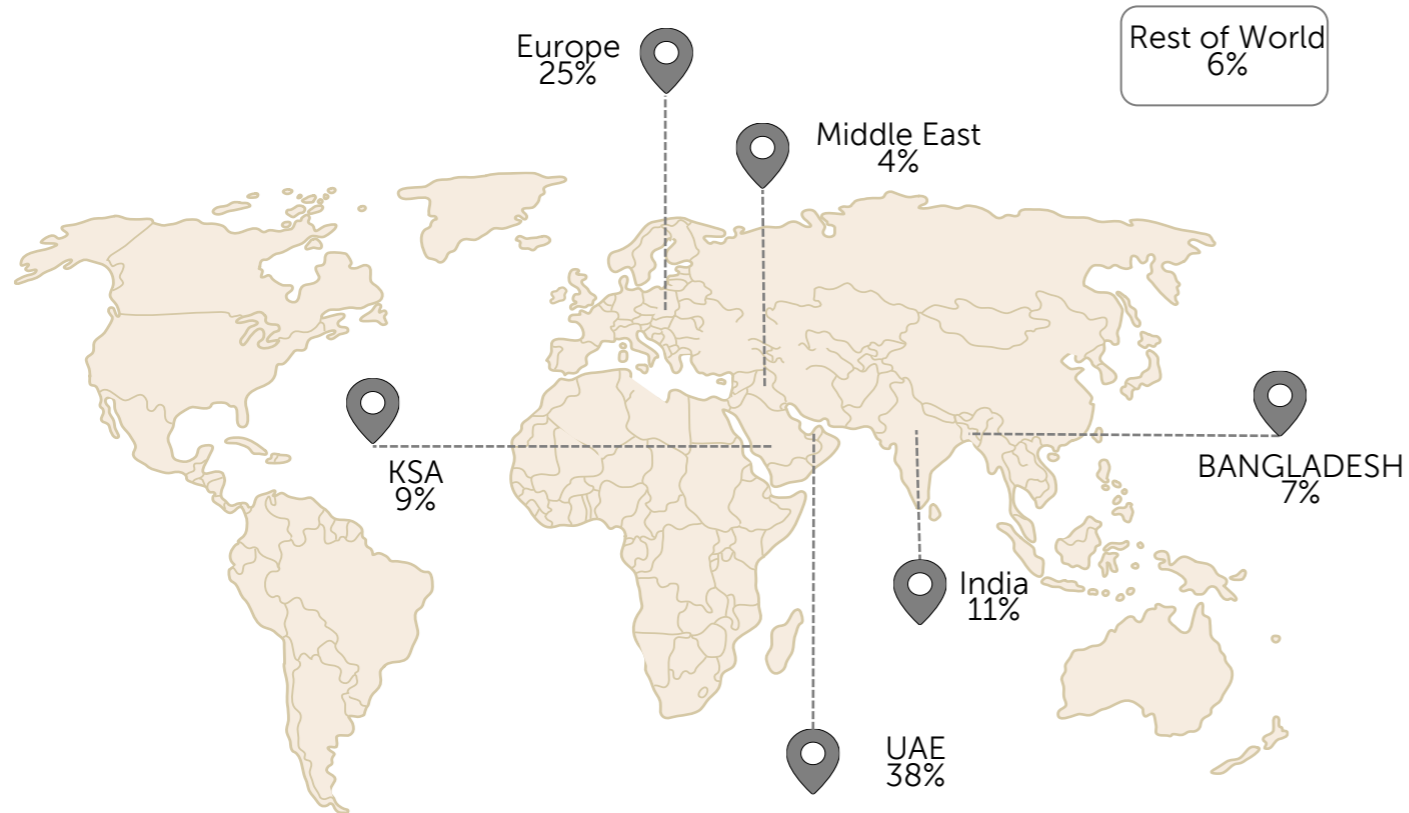


# Business Highlights

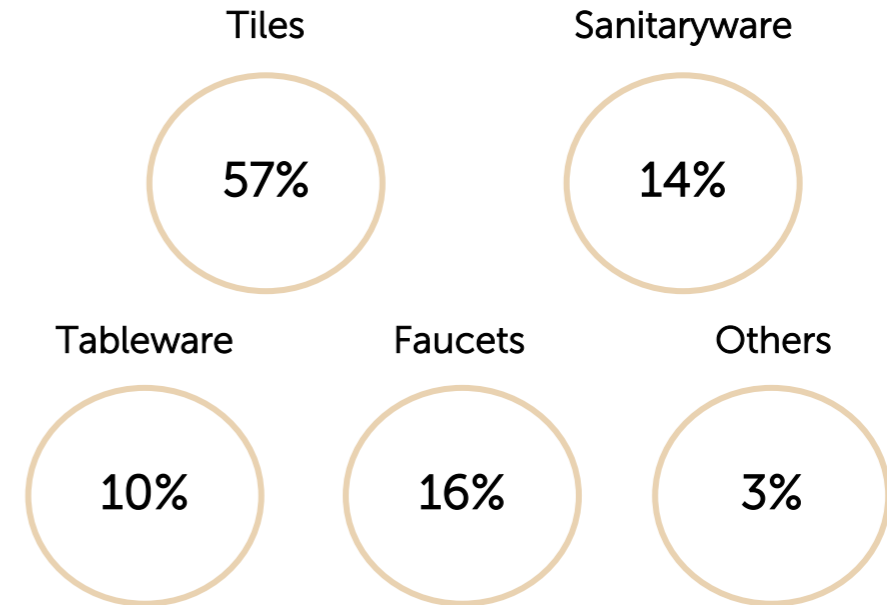
Speaker: Abdallah Massaad

Group CEO

## Where we sell



## What we sell (Revenue Mix)



## Capacity

**118<sup>MN</sup>**  
Square metres of tiles

**5<sup>MN</sup>**  
Pieces of sanitaryware

**36<sup>MN</sup>**  
Pieces of tableware

**2.6<sup>MN</sup>**  
Pieces of faucets and taps

# IMPACT OF REGIONAL CONFLICT ON OUR BUSINESS

## March 2026 IMPACT, RESPONSE & OUTLOOK

EARNINGS PRESENTATION Q1 2026

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Centralized crisis management established, with strict cost control (Opex & Capex), enhancing liquidity management, logistics optimization, across the Group and direct all sales efforts to UAE & GCC

### SITUATION UPDATE



Ongoing Middle East tensions continue to **disrupt trade** and normal business activity across our operating regions



Closure of the Strait of Hormuz has led to loss of **export shipments outside GCC** (which accounts 20% – 25% of Group revenue) and **delaying inbound raw materials**



Higher freight, insurance and energy costs, disruption in supply of natural gas are increasing **operating pressure** across the business

### Q1 GROUP IMPACT



Loss of export sales in March 2026

Disruption to Natural gas supply in Morbi, impacted India operations in March 26



Ocean freights have increased significantly Vs. pre-war ocean freight rates



Rerouting via Jeddah port at nearly **double the pre-war rates**



Increased diesel prices - increased land transportation costs in UAE & other GCC markets

### MANAGEMENT ACTIONS

- Production was **optimized** in response to the disruption in natural gas supply.
- Alternative shipping routes via Jeddah/ Oman activated to ensure **continuity of supplies** even with higher logistic costs
- Though **logistic costs increased**, re-routing helped in continuity of supplies, with incremental logistic costs partially passed on to end customers (mainly Europe) as **freight surcharge**
- Inventory buffers** used across regions (EU & India) to continue **supply**
- Shifted focus to **higher-margin sales** in UAE and KSA - Projects

### Q2 OUTLOOK



Regional conflicts continue to persist; we stay vigilant, well-prepared, and consistently **monitor the situation**.

Near-term demand may **soften** due to project delays & regional competition



Expected to **capture incremental market share** in UAE, KSA and GCC markets as imports remain constrained



Prolonged regional tensions may drive **higher freight, insurance, and energy costs**, increasing operating pressure

## Segment Highlights

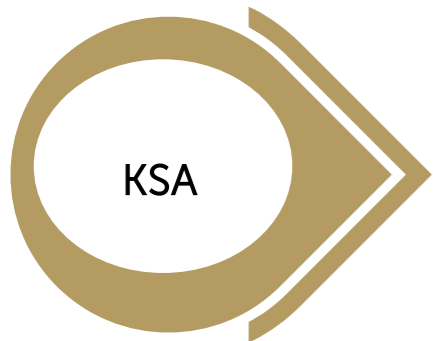
- Tiles revenue declined by -3.9% YoY at AED 431.2 Mn, on account of the ongoing regional conflicts that impacted all markets except Bangladesh.
- Sanitaryware revenue increased by +1.8% YoY at AED 107.4 Mn, driven by higher sales in UAE market, however other markets were impacted due to the ongoing regional conflicts.
- Tableware revenue declined by 8.4% at AED 78.7 Mn, mainly impacted by restrictions in exports and higher freight rates, on account of the ongoing regional conflict.
- Faucets revenue increased by 10.2% YoY at AED 123.1 Mn, primarily driven by improved performance in all markets except Asia. We are progressing towards our plan for cost optimisation by shifting major EU Faucets production facilities to UAE.

## Tiles & Sanitaryware Market Highlights

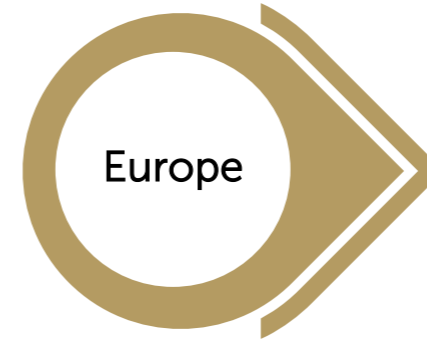
- **UAE:** Revenue increased by 0.5% YoY, demonstrating resilience despite regional geopolitical challenges, supported by continued real estate and construction activity. Import disruptions from regional tensions are expected to support market share gains.
- **KSA:** Revenue declined by 8.7% YoY, reflecting a deliberate shift from volume-driven to higher-value tiles to improve profitability, alongside the impact of Eid holidays. Gross margin improved, driven by a favourable product mix. The focus remains on premiumization across project and retail segments to restore sustainable growth.
- **Europe:** Revenue increased by 1.3% YoY, benefiting from stronger Euro and GBP versus USD, although underlying market demand remained soft across key markets.
- **India:** Revenue declined by 8.5% ( 2.6% in local currency) YoY amid industry-wide supply disruptions caused by a temporary gas crisis in Morbi. Inventory buffers enabled continuity of supply and supported incremental market share gains.
- **Bangladesh:** Revenue increased by 18.8% YoY, supported by strong domestic demand following recent political stabilization and targeted management initiatives aimed at regaining market share and improving profitability.



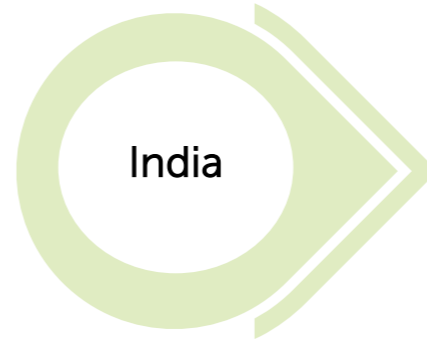
- We remain focused on enhancing our product portfolio and integrating technology to meet rising global demand for cost-effective, high-quality tiles.
- Our Sanitaryware facility is being modernized with energy-efficient technology, reducing carbon emission and aligning with our sustainability objectives.
- 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
- We are making steady progress on the greenfield production facility in Yanbu, KSA.-expected completion by Q1 2027.



- We are working closely to maintain our presence in GIGA projects while increasing our conversion rate in small and medium-sized private sector projects.
- We are focusing on premium and differentiated product offerings to strengthen our retail and project channels, thereby enhancing margins



- 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



- We are accelerating retail & Company Owned-Company Operated (COCO) stores execution in line with expansion roadmap
- 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.
- We are strengthening our distribution network through partnerships with local retailers and expanding direct-to consumer channels.
- We are implementing competitive pricing strategies tailored to local purchasing power and market dynamics.



# Q1 2026 Financial Performance Update

Speaker: PK Chand  
Group CFO



# Financial Snapshot – Q1 2026

EARNINGS PRESENTATION Q1 2026

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REVENUE

**AED 760.7M**

↓ 2.0% YoY



GROSS MARGIN

**39.4%**

↓ 30 bps YoY



PROFIT BEFORE TAX

**AED 53.0M**

↓ 17.9% YoY

(Other operating income is lower by AED 6.1m on account of lower provisions write-back and lower gain on sale of Investment property by AED 1.9m in Q1 2026)



NET PROFIT AFTER TAX

**AED 38.2M**

↓ 21.9% YoY



NET PROFIT  
After Minority

**AED 35.6M**

↓ 23.0% YoY



EBITDA

**AED 127.3M**

↓ 6.1% YoY



NET DEBT

**AED 1.56BN**

↑ 62M QoQ  
Due to payment of dividend



Net Debt to EBITDA

**2.53x**

2.40x in December 25

# Revenue Highlights – Q1 2026

## MANAGEMENT COMMENTS

- Q1 2026 revenue stood at AED 760.7 million, declining 2.0% year-on-year due to ongoing regional conflicts, trade barriers, and supply chain disruptions. Additionally, Eid holidays, along with heavy rainfall in UAE in the last week of March 2026, deferred product deliveries into the subsequent month.
- Tiles revenue decreased by 3.9% at AED 431.2 million, primarily driven by lower sales in all markets except Bangladesh.
- Sanitaryware revenue grew by 1.8% YoY to AED 107.4 million, driven higher sales in UAE, Europe and American markets.
- Tableware revenue recorded revenue de-growth of 8.4% at AED 78.7 Mn due to lower exports caused by disruption of logistics.
- Faucets revenue grew by 10.2% YoY at AED 123.1 Mn, primarily driven by improved performance in all markets except Asian markets
- Others revenue decreased by 17.0% to AED 20.3m.

## TOTAL REVENUE (AED MN)

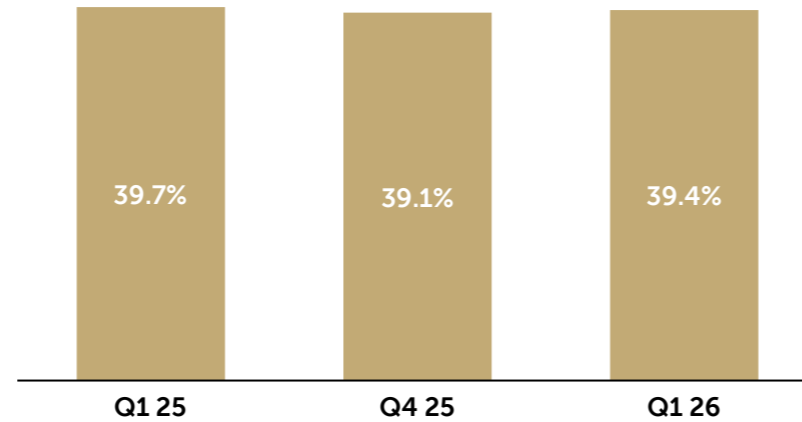
	Quarterly Comparison				
	Q1 25	Q4 25	Q1 26		
	Amount	Amount	Amount	YoY Growth	QoQ Growth
United Arab Emirates	210.5	265.5	211.5	0.5%	-20.3%
Kingdom of Saudi Arabia	69.1	56.5	63.1	-8.7%	11.5%
Middle East (Ex. UAE & KSA)	32.1	28.4	23.0	-28.5%	-19.2%
India	86.8	73.9	79.4	-8.5%	7.5%
Europe	77.0	71.1	78.1	1.3%	9.7%
Bangladesh	43.7	66.0	51.9	18.8%	-21.3%
Africa	21.5	26.6	16.2	-24.6%	-39.0%
Rest of the world	13.6	20.6	15.4	13.4%	-25.3%
<b>Total Tiles &amp; Sanitaryware Revenue</b>	<b>554.4</b>	<b>608.7</b>	<b>538.6</b>	<b>-2.9%</b>	<b>-11.5%</b>
Tableware revenue	85.9	108.5	78.7	-8.4%	-27.5%
Faucets revenue	111.7	112.9	123.1	10.2%	9.0%
Others revenue	24.5	26.3	20.3	-17.0%	-22.5%
<b>Total Revenue</b>	<b>776.5</b>	<b>856.4</b>	<b>760.7</b>	<b>-2.0%</b>	<b>-11.2%</b>

# Gross Profit Margin

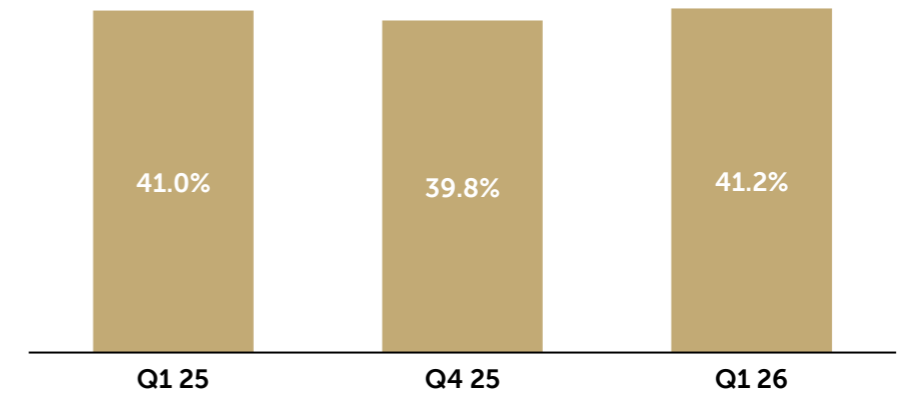
## MANAGEMENT COMMENTS

- In Q1 2026, the gross profit margin decreased by 30 basis points year-over-year to 39.4%, primarily attributed to underutilization of manufacturing facilities in the UAE and India resulting from supply chain disruptions and natural gas shortages linked to ongoing geopolitical issues.
- Despite geopolitical challenges, the tiles margin in Q1 2026 increased by 20 basis points year-over-year to 41.2%, driven by improved margins across all key markets, supported by a favorable product mix.
- The sanitaryware margin in Q1 2026 increased by 10 basis points year-over-year, reaching 34.2%.
- Tableware margin in Q1 2026 saw a significant year-over-year improvement of 330 basis points, reaching 57.2%, largely due to stronger sales in the UAE and GCC markets.
- Faucets gross profit margin declined by 200 basis points year-on-year to 22.0% in Q1 2026, driven by lower plant utilisation and change in product mix..

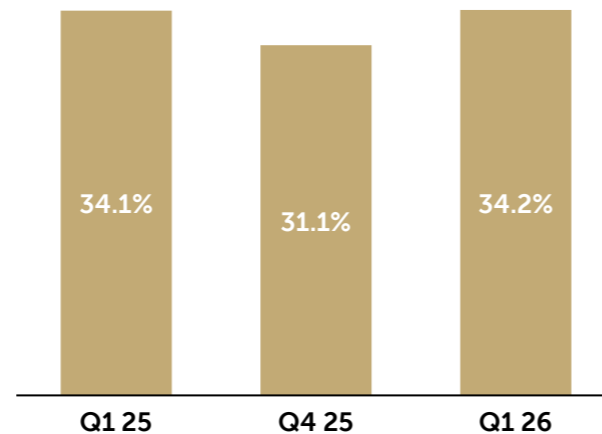
## Total Gross Margin (%)



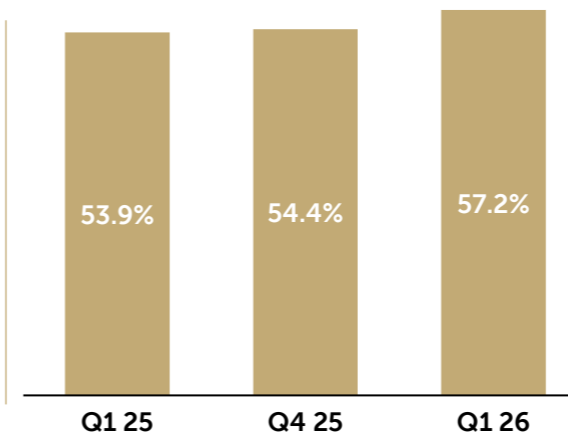
## Tiles Gross Margin (%)



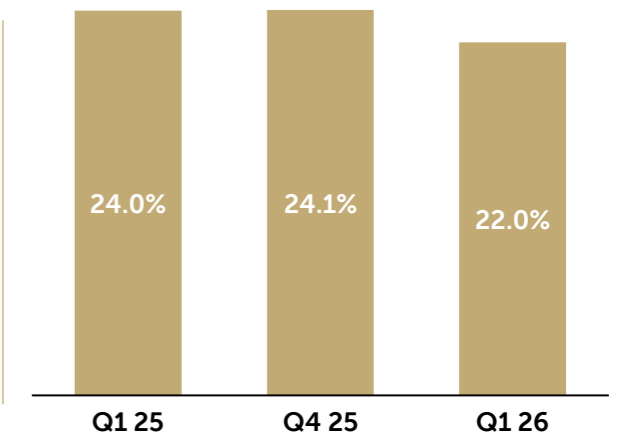
## Sanitaryware Gross Margin (%)



## Tableware Gross Margin (%)

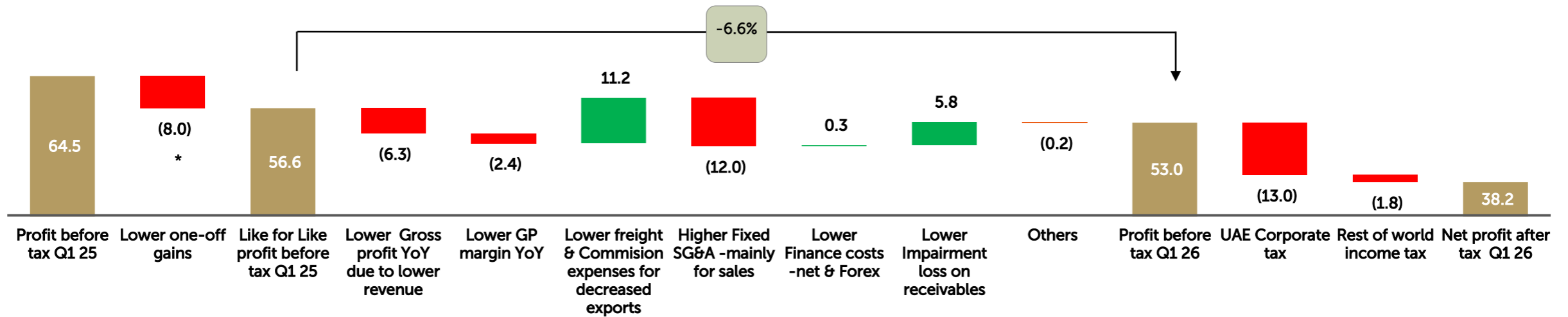


## Faucets Gross Margin (%)



# Profitability Bridge

Q1 2025 vs Q1 2026 Profit Bridge (AEDM)



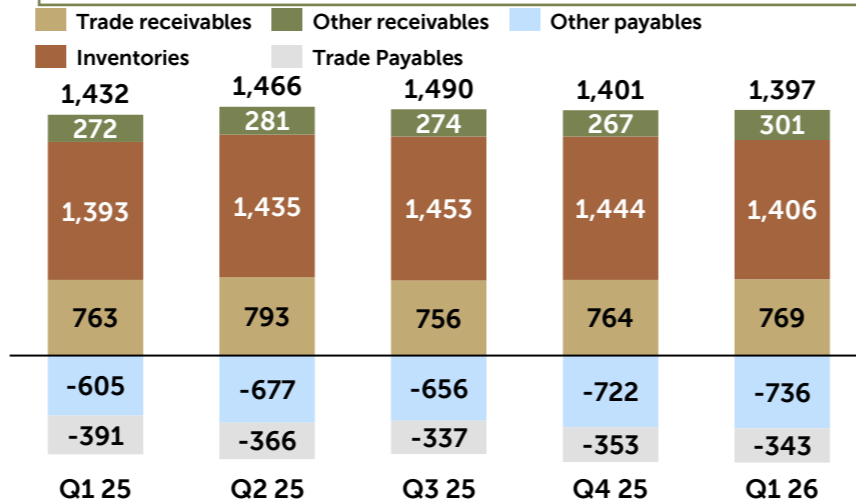
*One-off gains	Q1 25	Q1 26	YoY
Other operating income -Provisions			
Write back	7.2	1.1	(6.1)
Gain on sale of investment property	3.2	1.3	(1.9)
<b>Total</b>	<b>10.3</b>	<b>2.4</b>	<b>(8.0)</b>

# Balance Sheet Highlights

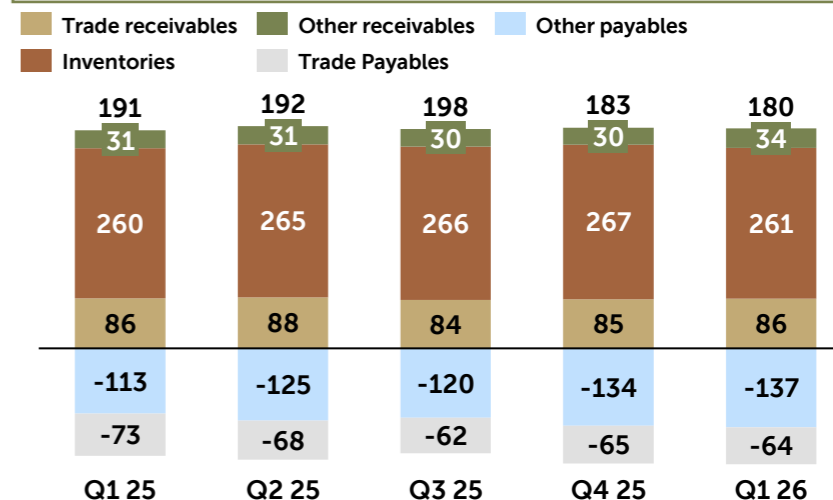
## MANAGEMENT COMMENTS

- Overall working capital decreased by AED 4.0 million at 1.40 billion in Q1 2026 compared to Q4 2025.
- Trade receivables days slightly increased from 85 days in Q4 2025 to 86 days in Q1 2026 due to lower LTM sales.
- Inventory days decreased from 267 days to 261 days QoQ.
- Trade payable decreased from 65 days in Q4 2025 to 64 days in Q1 2026.
- Other payable days increased from 134 days in Q4 2025 to 137 days in Q1 2026 due to increase in provisions.
- Net debt increased by AED 62.6m at 1.56 billion compared to Dec 2025 due to payment of Dividend (AED 99.4m) Net debt to EBITDA also increased from 2.40x December 2025 to 2.53x in March 2026
- Capex Spending was AED 42.8 million in Q1 2026 out of which ~ 12.0million relates to upgradation of large-format tiles/Sanitaryware plant and 8.6m KSA green field. Capex guidance for 2026 is at AED 400 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.

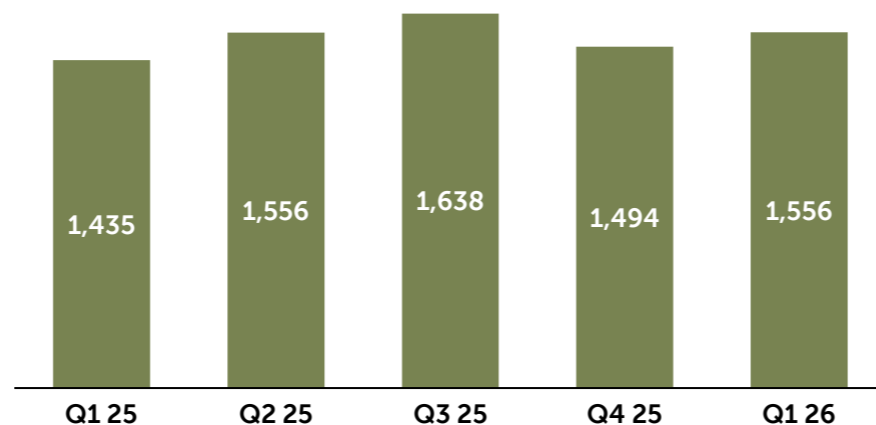
## WORKING CAPITAL CYCLE (AED MN)



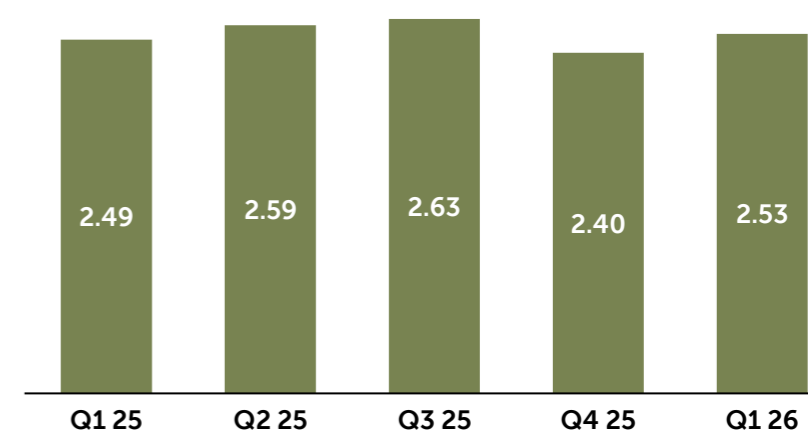
## WORKING CAPITAL (DAYS)



## NET DEBT (AED MN)



## NET DEBT TO EBITDA (X)





# Share Price Update

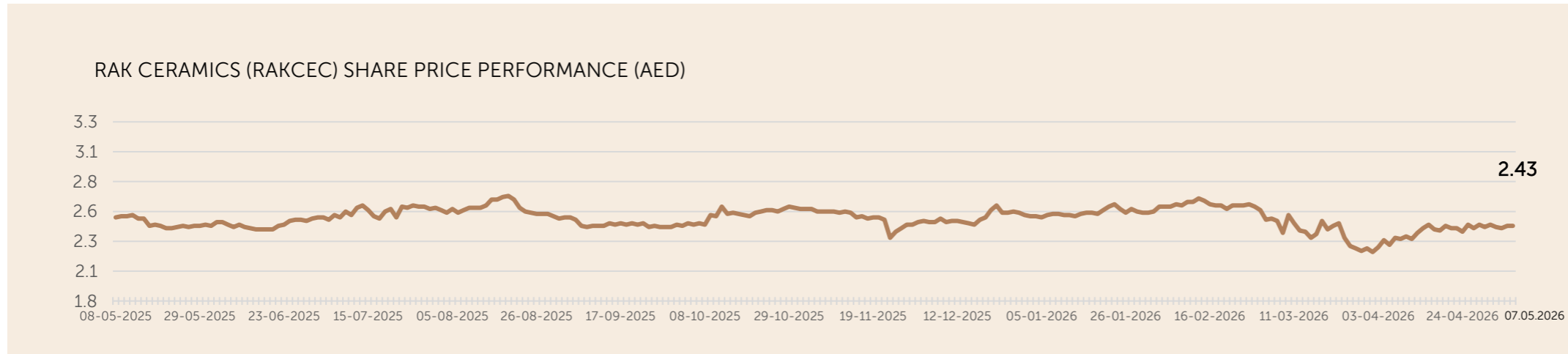
Speaker: PK Chand  
Group CFO

# RAK Ceramics Share Price Movement

EARNINGS PRESENTATION Q1 2026



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



	AED
WAP	2.49
52 week high	2.68
52 week low	2.21

As on 7<sup>th</sup> May 2026

## CURRENT VALUATION (AED M)

	7/5/2026	31/12/2025
	Amount	Amount
Share price	2.43	2.49
Number of shares (in Mn)	994	994
Market Cap	2,415	2,475
Net debt	1,556	1,494
Minorities	82	85
<b>Enterprise Value</b>	<b>4,053</b>	<b>4,054</b>

\*Net debt and minorities as of 31<sup>st</sup> December 2025

## LTM TRADING MULTIPLES

	Multiple	
	7/5/2026	31/12/2025
EV / Sales	1.24	1.23
EV / EBITDA	6.59	6.50
P / E	10.35	11.51
P / B	1.10	1.14

~ AED 2.4 Bn  
Market Cap (~)



# Closing Remarks

Speaker: Abdallah Massaad  
Group CEO



## Market share growth & preservation, Operational discipline

Maintain strong foothold in UAE & GCC, and capture incremental market share as imports remain constrained

Centralized crisis management with tight cost control, improved liquidity and logistics efficiencies across the group

Protect and grow our Tableware division



## 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



Q&A



# APPENDIX

# Financial Highlights

EARNINGS PRESENTATION Q1 2026

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	Quarterly comparison				
	Q1 25	Q4 25	Q1 26		
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth
Revenue	776.5	856.4	<b>760.7</b>	-2.0%	-11.2%
Gross margin (%)	39.7%	39.1%	<b>39.4%</b>	-0.3%	0.3%
EBITDA	135.6	159.6	<b>127.3</b>	-6.1%	-20.2%
Profit before tax	64.5	94.0	<b>53.0</b>	-17.9%	-43.6%
Profit after tax	48.9	65.8	<b>38.2</b>	-21.8%	-41.9%
Capital expenditure	96.6	58.2	<b>42.8</b>	-55.7%	-26.5%
Net debt	1,435.0	1,493.8	<b>1,556.3</b>	8.5%	4.2%
Net debt / EBITDA	2.49x	2.40x	<b>2.53x</b>	0.04x	0.13x

# EBITDA Working

	Quarterly comparison		
	Q1 25	Q4 25	Q1 26
Amount in AED M	Amount	Amount	Amount
Net profit/(loss) after tax	48.9	65.8	38.2
Tax	15.7	28.2	14.8
Interest- net	23.0	24.3	21.5
Depreciation & amortization	51.9	55.8	54.1
Gain on valuation of land	-	(11.6)	-
(Gain) on sale of assets/CWIP write-off	(3.9)	(2.9)	(1.3)
<b>EBITDA</b>	<b>135.6</b>	<b>159.6</b>	<b>127.3</b>

Thank You

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CONTACT US

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