

RAK Ceramics delivers resilient Q1 2026 performance amid regional disruptions

Strong demand in the UAE and Bangladesh supported resilience, alongside disciplined operational execution

Group Financial Highlights

- **Group Revenue:** Decreased marginally by 2.0% YoY to AED 760.7 million in Q1 2026, on account of disruptions caused by ongoing regional conflicts.
- **Gross profit margin:** Gross profit margin remained resilient at 39.4% in Q1 2026, compared to 39.7% in Q1 2025; supported by higher sales in the UAE and favorable product mix.
- **Profit before tax:** Decreased by 17.9% YoY to AED 53.0 million in Q1 2026, from AED 64.5 million in Q1 2025.
- **EBITDA performance:** EBITDA decreased by 6.1% YoY to AED 127.3 million in Q1 2026 from AED 135.6 million in Q1 2025.
- **Financial Health:** Net Debt increased by 8.5% YoY to AED 1.56 billion in March 2026, mainly due to the annual dividend payment of AED 99.4 million in the UAE. Net debt to EBITDA stood at 2.53x, compared to 2.40x in December 2025.

Ras Al Khaimah, United Arab Emirates, 12th May 2026: RAK Ceramics PJSC (Ticker: RAKCEC: Abu Dhabi), one of the world's leading lifestyle ceramics brands, reported resilient financial results for the first quarter ending 31st March 2026.

Financial Highlights (Q1 2026)

RAK Ceramics delivered a resilient first-quarter performance in 2026, supported by robust demand across the UAE and Bangladesh. The company successfully met market demand despite ongoing regional geopolitical tensions, supply chain disruptions, and elevated logistics costs.

As a local manufacturer, RAK Ceramics benefited from its operational agility and ability to adapt quickly to changing market conditions. By reformulating its sourcing strategy with a greater focus on locally sourced raw materials, the company was able to secure uninterrupted supply for clients and partners across its network while effectively mitigating supply chain disruptions and absorbing market shocks.

Proactive management actions and disciplined execution ensured operational continuity, consistent product availability, and dependable service across key markets, sustaining strong customer confidence. During this period, RAK Ceramics further reinforced its position as a reliable industry player, consistently delivering on its commitments despite a challenging operating environment.

In Q1 2026, Total revenue was AED 760.7 million, down 2% compared to AED 776.5 million in Q1 2025.

In Q1 2026, Gross profit margin remained resilient at 39.4%, compared to 39.7% in Q1 2025.

In Q1 2026, Profit before tax declined by 17.9% YoY to AED 53 million, compared to AED 64.5 million in Q1 2025. In Q1 2026, Net profit after tax decreased by 21.8% YoY to AED 38.2 million, from AED 48.9 million in Q1 2025.

In Q1 2026, EBITDA declined by 6.1% to AED 127.3 million from AED 135.6 million in Q1 2025.

Net debt position stood at AED 1.56 billion, up 8.5% YoY, mainly due to the annual dividend payment of AED 99.4 million in the UAE in Q1 2026. Net debt to EBITDA stood at 2.53x from 2.40x in December 2025.

Income Statement highlights

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

Segment performance highlights

- Tiles segment:** Revenue in the Tiles segment declined 3.9% to AED 431.2 million during Q1 2026, on account of the ongoing regional conflicts that impacted all markets except Bangladesh. Continued investment in product innovation and manufacturing technology supported portfolio enhancement and operating efficiency.
- Sanitaryware:** Revenue increased by 1.8% YoY to AED 107.4 million, primarily driven by higher sales in the UAE, Europe and American markets. The launch of KLUDI-branded sanitaryware will further strengthen the Group's premium offering within the segment.
- Faucets (KLUDI):** Delivered strong revenue growth of 10.2% YoY at AED 123.1 million in Q1 2026, primarily driven by higher sales in all the markets except Asia. 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.
- Tableware:** Revenue declined by 8.4% YoY to AED 78.7 million, mainly impacted by restrictions in exports and higher freight prices, on account of the ongoing regional conflicts. The integration of Cookplay progressed during the quarter, supporting portfolio premiumization and design-led growth.

Tiles & Sanitaryware market highlights

- The **UAE** market remained resilient during Q1 2026, with revenue up 0.5% YoY to AED 211.5 million, supported by robust real estate and construction activity. A higher share of project-based business has contributed positively to both revenue and margin, with growing demand for large-format porcelain tiles. Import disruptions from regional tensions are expected to support market share gains.
- In **Saudi Arabia**, revenue declined by 8.7% YoY in Q1 2026 to AED 63.1 million, primarily on account of strategic shift from volume base (ceramic) to quality of sales (Gres Porcelain) led value creation. Gross margins improved significantly due to a better product mix and project discipline. Import disruptions from regional tensions are expected to support market share gains. Also, we are making steady progress on the Greenfield Tiles Project in Yanbu - expected completion by Q1 2027, to support long term capacity and cost competitiveness.
- In **Europe**, revenue increased by 1.3% YoY in Q1 2026 to AED 78.1 million, supported by stronger local currencies, although underlying market demand remained soft across key markets. Ongoing regional conflicts also disrupted supply from the UAE; however, the company leveraged inventory buffers to maintain service levels.
- In **India**, revenue declined by 8.5% (in local currency -2.6%) YoY to AED 79.4 million in Q1 2026, mainly due to temporary production disruption caused by industry-wide gas shortages in Morbi. Despite this disruption, our Indian operations, leveraged inventory buffers to maintain service levels and capture incremental market demand. We continue to advance strategic initiatives to improve profitability and accelerate market expansion in India.
- In **Bangladesh**, revenue increased by 18.8% YoY to AED 51.9 million in Q1 2026, supported by strong domestic demand following recent political stabilization. While margins remain under pressure due to competitive pricing and higher costs, management has initiated targeted initiatives to restore market share and improve profitability.
- In the **Middle East**, revenue in Q1 2026 declined 28.5% YoY to AED 23 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:

“Despite a challenging quarter marked by macroeconomic uncertainty, geopolitical tensions, and supply chain disruptions, RAK Ceramics delivered resilient results, supported by its diversified operations and strong regional footprint. Proactive management actions and supply chain optimization ensured product availability and reliable service across markets.

Demand in the UAE and Saudi Arabia remained strong, driven by construction activity and higher project contributions. As a local manufacturer, our UAE operations continue to benefit from national initiatives such as “Make it in the Emirates” and a robust industrial ecosystem.

We remain focused on executing our strategic priorities, including Cookplay brand integration and value creation across our European, India, and Bangladesh operations. While market conditions remain dynamic, we are well positioned to navigate near-term challenges and 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.

Sustainability:

- Continued progress on our 2024–2030 sustainability roadmap, with a focus on circular manufacturing, resource efficiency, and emissions reduction; published Sustainability Report 2025 in Q1 2026
- Advanced CSR and community engagement through sponsorship of the RAK Art Festival and participation in Abu Dhabi Sustainability Week (ADSW)
- Strengthened sustainability and stakeholder engagement through participation in IWAM 2026 under the patronage of H.H. the Ruler of Ras Al Khaimah

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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