

RAK

CERAMICS

INVESTOR PRESENTATION 2022

MAY 2022

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Company Overview

► Overview

Strategy

Results

RAK Ceramics at a glance



The world's leading ceramic lifestyle solutions provider



+150
Countries exported

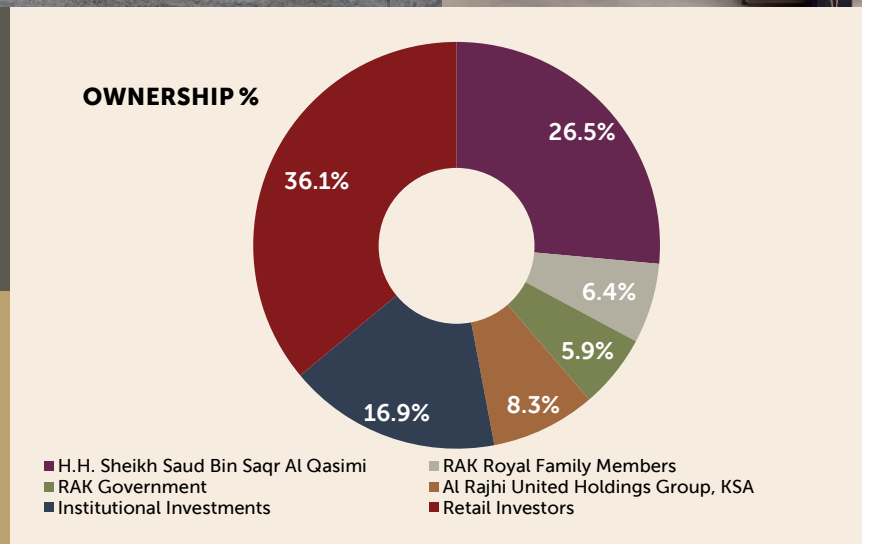


~12,000
Global workforce



~US\$750M
Market Cap.(~)

~US\$780M
Group turnover



Eras of RAK Ceramics



1990-2000

FOUNDATION



1989
Founded by H.H. Sheikh Saud Bin Saqr Al Qasimi

1991
First tile plant began in the UAE




1993
First sanitaryware plant began in the UAE

2000
Opening of first overseas tile plant in Bangladesh





2000-2010

EXPANSION



2004
RAK Porcelain was established

2006
Indian operations began



2007
1 billion square meters of global tile sales.

2010
Became the world's largest ceramics manufacturer





2010-PRESENT

ENHANCEMENT



2014
Samena Capital acquires 31% stake in RAK Ceramics

2015
Launched the largest super-sized slab to be manufactured in region

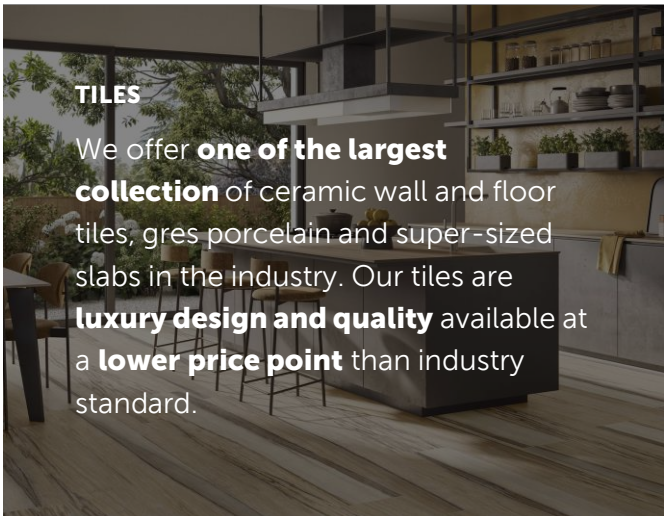


2016
Launch of new brand identity

2020
Launched virtual reality showroom experience on our website

2021
Samena Capital Exits

Tiles

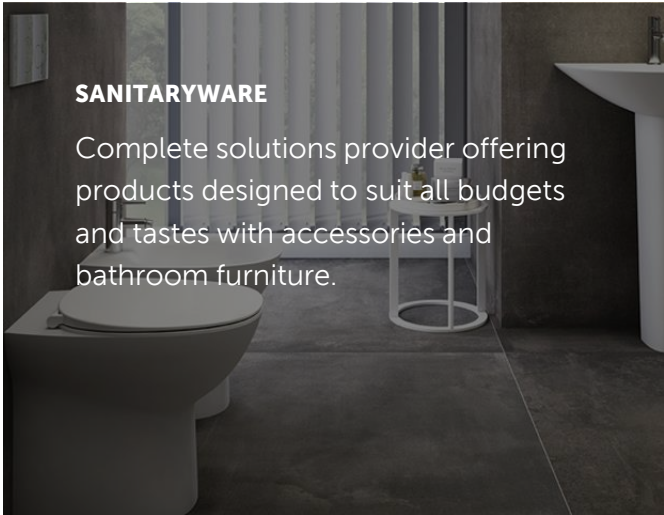


TILES

We offer **one of the largest collection** of ceramic wall and floor tiles, gres porcelain and super-sized slabs in the industry. Our tiles are **luxury design and quality** available at a **lower price point** than industry standard.



Sanitaryware



SANITARYWARE

Complete solutions provider offering products designed to suit all budgets and tastes with accessories and bathroom furniture.



Tableware & Faucets



TABLEWARE

Products supplied to over **40,000** hotels in more than **165 countries** with clients including JW Marriott, Hilton, Hyatt, and Sheraton amongst others.



FAUCETS

Eco-friendly faucets and bathroom fittings with a strong focus on **water-saving technology**, offering up to **60% saving** on water consumption.

Manufacturing footprint

2021 GLOBAL PRODUCTION

- **21 plants worldwide**
- **15 Tiles Plants** in UAE (10), India (3), Bangladesh (1) and Iran (1).
- **4 Sanitaryware Plants** in UAE (2), India (1), and Bangladesh (1)
- **Tableware** - UAE (1), **Faucets** - UAE (1)

118_{MN}

Square metres of tiles

5_{MN}

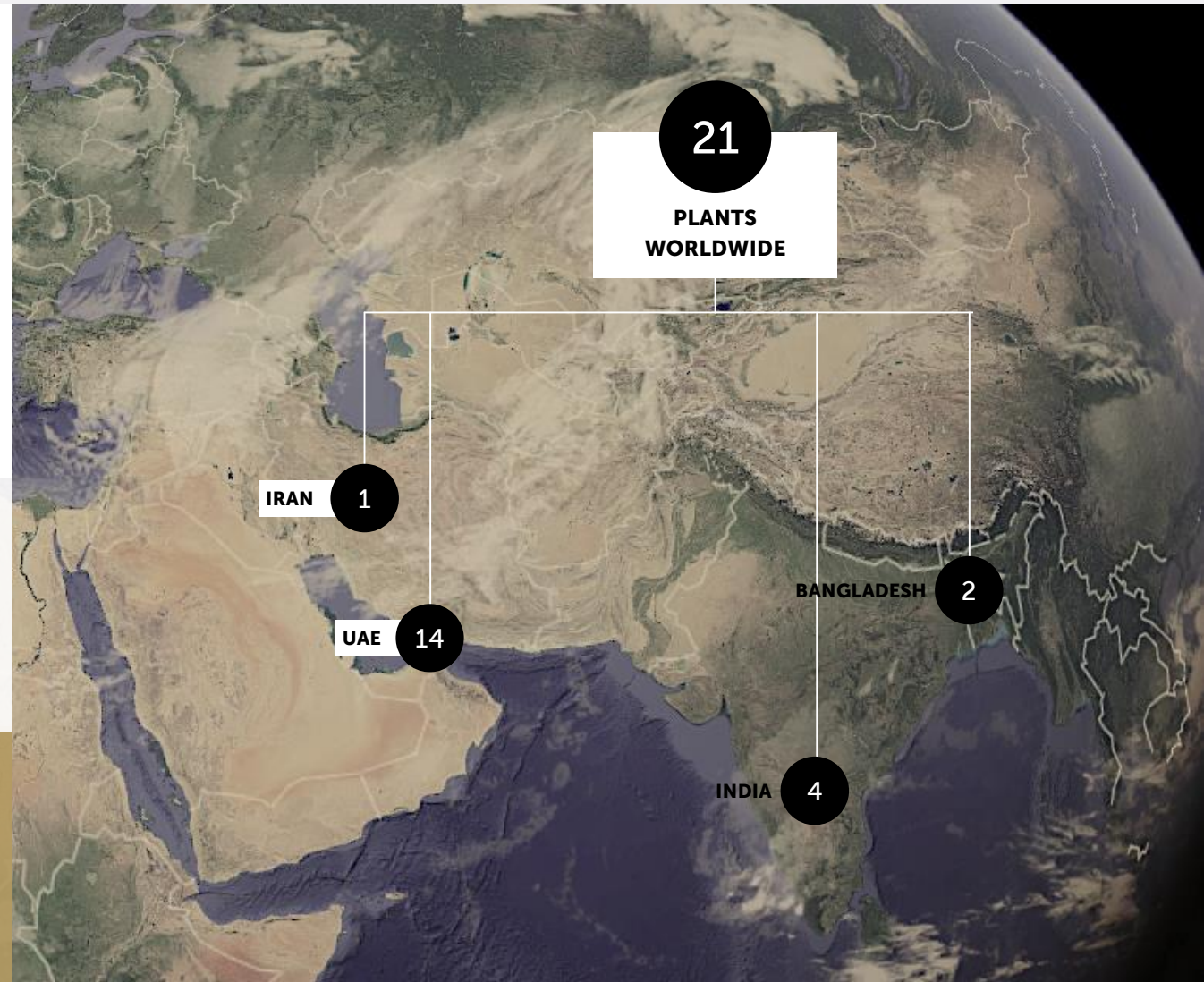
Pieces of sanitaryware

24_{MN}

Pieces of tableware

1_{MN}

Pieces of faucets and taps



Vision and key strengths

To become the world's most sustainable and innovative ceramic lifestyle solutions provider



LIFESTYLE BRAND

We are a globally recognised ceramics lifestyle solutions provider



SUSTAINABILITY

We are known for our wide product range and our ability to produce bespoke ranges for small and large scale projects.



INNOVATION

Innovation is at the heart of our philosophy and we have continuously led the way in terms of product development.



LUXURY VALUE

We are able to consistently manufacture luxury quality products at a value price point.

Business Strategy Update



Overview

▶ Strategy

Results

Q1 2022 Key Strategic Updates

United Arab Emirates

Strong quarterly performance due to increased brand exposure and strengthened brand positioning with the launch of e-commerce platform, brand participation in international events and sponsorship of high-profile architectural and interior design awards.

Company was able to maintain market share albeit applied price increases.

Saudi Arabia

Despite the imposition of a 12% customs duty, QoQ growth was recorded as company focused on strengthening presence and brand positioning through increased retail footprint and secured projects.

European market

Albeit recorded growth in revenues, higher shipping freight rates weighed in on Q1 2022 bottom-line.

Company continues to position the brand as a trusted ceramic solution provider, increasing customer base by adding further showrooms, expanding distribution network and tapping into E-commerce platform.

India

Stable YoY performance recorded despite higher energy prices in Q1 2022 supported by expanding dealer's network presence in additional 12 districts.

Minor price adjustments were applied across the local ceramics industry as per guidance from relevant authorities, as such Company remains in-line with peers and focused on preserving market share.

Bangladesh

Resilient top-line notwithstanding price adjustments following increase in input costs and import freight.

Company anticipates further price increases in Q2 2022 as energy prices are expected to increase; case is subject to close monitoring.

Tableware

Tableware performance across core markets improved and production has been increased to meet demand.

Company introduced the production of Bone China in Q1 2022; Elie Saab TW retail project expected to be launched in Q2 2022.

KLUDI Group Acquisition

MANAGEMENT COMMENTS

RAK Ceramics announced the signing of a Share Purchase Agreement for the 100% acquisition of KLUDI Group (including 49% of KLUDI RAK JV) on 14th of March 2022

KLUDI is an established European faucet brand with manufacturing footprint across Germany, Austria, Hungary and UAE and a top-line amounting to around EUR 120 million. The brand has almost 100 years of experience as faucets specialist with German heritage and specializes in bathroom, kitchen fitting, shower and shower systems incorporating cutting-edge and innovative engineering technologies.

The strategic acquisition of KLUDI Group represents an opportunity for RAK Ceramics to spearhead expansion and strengthen its core businesses across European markets. The brand is anticipated to complement RAK Ceramics suite of products and grow its sanitaryware offering, enhancing as such RAK Ceramics positioning in projects across the sanitaryware and faucets business and strengthening its position internationally as a fully integrated lifestyle solution provider.

RAK Ceramics aims to support KLUDI with its international growth strategy by leveraging on its geographical presence, expanding the brand from a European-focused player to a global innovative fittings manufacturer while preserving its identity.



Both parties are working closely to complete the closing conditions by May 31, 2022.

Q1 2022 Key Challenges

| Performance To-date | Critical Parameters | Key Challenges | Our Action | | | | | | | | | | | | | | | | |
|--|---------------------------------------|--|---|-------|----|-------|----|-------|----|-------|----|-------|-------|-------|-------|-------|--------------------------------|---|--|
| <p>TOTAL REVENUE (AEDM)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Revenue (AEDM)</th> </tr> </thead> <tbody> <tr><td>17</td><td>2,855</td></tr> <tr><td>18</td><td>2,729</td></tr> <tr><td>19</td><td>2,575</td></tr> <tr><td>20</td><td>2,349</td></tr> <tr><td>21</td><td>2,861</td></tr> <tr><td>Q1 21</td><td>723</td></tr> <tr><td>Q1 22</td><td>783</td></tr> </tbody> </table> | Year | Total Revenue (AEDM) | 17 | 2,855 | 18 | 2,729 | 19 | 2,575 | 20 | 2,349 | 21 | 2,861 | Q1 21 | 723 | Q1 22 | 783 | <p>Rising Inflation</p> | <p>Inflation surge across the globe coupled with increased demand and rising challenges for supply are weighing in on input prices</p> | <ul style="list-style-type: none"> • Increase pricing selectively to partly translate additional cost onto consumers while maintaining a balance between market share and profitability • Continue increasing operational efficiencies and productivity |
| Year | Total Revenue (AEDM) | | | | | | | | | | | | | | | | | | |
| 17 | 2,855 | | | | | | | | | | | | | | | | | | |
| 18 | 2,729 | | | | | | | | | | | | | | | | | | |
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| 20 | 2,349 | | | | | | | | | | | | | | | | | | |
| 21 | 2,861 | | | | | | | | | | | | | | | | | | |
| Q1 21 | 723 | | | | | | | | | | | | | | | | | | |
| Q1 22 | 783 | | | | | | | | | | | | | | | | | | |
| | <p>Russia-Ukraine War</p> | <p>War erupted in February between Russia (key supplier of oil) and Ukraine (key supplier of raw materials); ceramic manufacturers saw a disruption in business</p> | <ul style="list-style-type: none"> • Halt of sales operations in such countries and closely monitor anticipated sanctions on Russia • Utilize existing raw material inventory estimated to be sufficient for the medium term • Limit dependency on such raw materials by opting for tested and approved alternatives | | | | | | | | | | | | | | | | |
| | <p>Rising Energy Costs</p> | <p>Vulnerable supply coupled with a post-pandemic economy recovery and an unexpected war resulted in an increase in energy costs</p> | <ul style="list-style-type: none"> • Negotiate better contract terms with local suppliers to hedge energy costs fluctuations • Install energy-saving equipment to decrease energy consumption and costs • Translating increase onto sales prices | | | | | | | | | | | | | | | | |
| | <p>Supply Chain Disruption</p> | <p>Global supply chain shortages, shipments slowdown and increase in energy costs caused worldwide supply disruption and rise in freight costs</p> | <ul style="list-style-type: none"> • Optimize logistics and warehouse • Continue to maintain healthy inventory days level to avoid business delay/disruption • Price adjustment to reflect increase in transportation costs | | | | | | | | | | | | | | | | |
| <p>GROSS PROFIT MARGIN</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Gross Profit Margin</th> </tr> </thead> <tbody> <tr><td>17</td><td>30.5%</td></tr> <tr><td>18</td><td>32.0%</td></tr> <tr><td>19</td><td>33.2%</td></tr> <tr><td>20</td><td>32.0%</td></tr> <tr><td>21</td><td>36.2%</td></tr> <tr><td>Q1 21</td><td>35.0%</td></tr> <tr><td>Q1 22</td><td>37.0%</td></tr> </tbody> </table> | Year | Gross Profit Margin | 17 | 30.5% | 18 | 32.0% | 19 | 33.2% | 20 | 32.0% | 21 | 36.2% | Q1 21 | 35.0% | Q1 22 | 37.0% | <p>Trade Challenges</p> | <p>Increased pressure with the introduction of Custom Duty in Saud Arabia on imports from the UAE</p> | <ul style="list-style-type: none"> • Implement necessary measures to comply with local laws to avail custom duty exemptions – further regulatory documents submitted in April 2022 upon request; awaiting authority response • Expansion plan into KSA; under negotiations |
| Year | Gross Profit Margin | | | | | | | | | | | | | | | | | | |
| 17 | 30.5% | | | | | | | | | | | | | | | | | | |
| 18 | 32.0% | | | | | | | | | | | | | | | | | | |
| 19 | 33.2% | | | | | | | | | | | | | | | | | | |
| 20 | 32.0% | | | | | | | | | | | | | | | | | | |
| 21 | 36.2% | | | | | | | | | | | | | | | | | | |
| Q1 21 | 35.0% | | | | | | | | | | | | | | | | | | |
| Q1 22 | 37.0% | | | | | | | | | | | | | | | | | | |

2022 Priorities

Protect market share

Protect market share across all core markets and segments albeit increased challenges

Production expansion

Build, acquire and enhance production plants to increase capacity across all manufacturing footprint

Explore untapped market potential

Increase market share in nascent markets with untapped value potential

Embracing digitization

Develop E-commerce platform and grow online presence as such increasing brand accessibility and serving the end market

Launch new products and projects

Introduce new segments, range of products and collaborations to capture further growth and unlock value

Solidify retail presence

Increase footprint by building retail concepts in KSA, UK, India and Bangladesh and opening outlet stores in UAE and KSA

Boost productivity & efficiency

Ongoing improvement in operational efficiency to sustain current margins in light of rising challenges

Operation optimization

Mitigate impact of supply chain disruption by optimizing logistics and warehousing in addition to enhancing inventory control and management

Sustainably Responsible Brand

Improve practices in compliance with ESG initiatives in order to achieve sustainability on a business level

Short-term Initiatives Prioritized

KLUDI Acquisition

Working closely to put together a post-acquisition plan to kick-in following closing date. Target is to ensure smooth onboarding without disruption in business.



Embracing Digitization

Developing e-commerce platform and embracing technological excellence moving more towards a digitized era



Production Expansion

Finalizing deal terms for production expansion in Tableware and Bangladesh operations



Technological Advancement

Looking into incorporating further technological developments and innovative solutions into processes in addition to offering

New Range Launch

Expanding offering to include premium range of products and collaborations such as Elie Saab



ESG Revisited

Building necessary foundation to further incorporate ESG practices into company's daily practices



Financial Performance

Overview

Strategy

▶ Results

Q1 2022 Key financial highlights

Total revenue increased by +8.3% YoY and +4.1% QoQ to AED 783.1m driven by SW (+13.1%) and Tableware (+84.3%)

AED783.1m

Total gross profit margin increased by +2.0% YoY at 37.0% even after charging 12.0% customs duty in KSA

37.0%

Total EBITDA increased to AED 129.7m compared to AED 126.1m in last year. However, the margin decreased by -0.9% YoY to 16.6% due to increased freight costs

AED129.7M

Reported net profit increased to AED 69.7m versus AED 62.7 in Q1 2021 mainly due to higher revenue & GP margins. NP Margin is 8.9% compared to 8.7% in last year. **Net profit after minority** is AED 56.6m compared to AED 60.7m in last year

AED69.7M

Like for like net profit* increased to AED 70.8m compared to AED 63.5m in last year. Margin decreased by -0.5% YoY to 9.0%

AED70.8M

Net Debt remained stable QoQ at AED 975.2m in Mar 2022 despite dividend payments of AED 112m. **Net debt to EBITDA** slightly decreased from 1.94x in Dec 2021 to 1.93x in Mar 2022

1.93x

*Like for Like net profit working is given in Slide # 37

Revenue highlights

MANAGEMENT COMMENTS

QQ1 2022 revenue performance is mainly driven by sanitaryware and tableware segments.

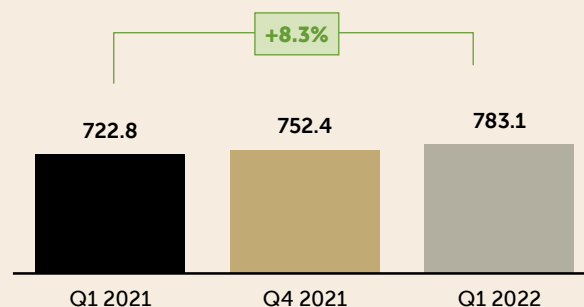
Total revenue increased by +8.3% YoY and by +4.1% QoQ to AED 783.1m.

Price adjustments following increase in input, energy and transportation costs were well received by clients and did not affect sales orders/revenues.

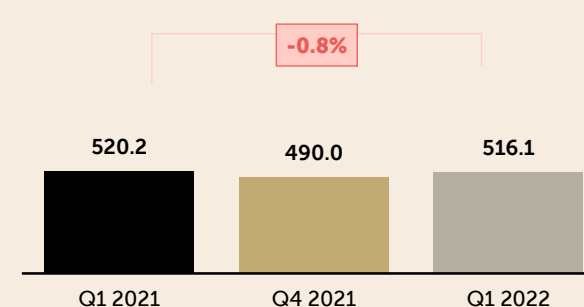
QoQ Tiles revenue improved by +5.3% to reach AED 516.1m supported by growth in Saudi Arabia and European markets. YoY revenues decreased by -0.8%.

Sanitaryware revenue is higher by +13.1% YoY and +23.4% QoQ at AED 155.0m driven from growth in UAE and European markets. Tableware revenue decreased by -15.8% QoQ while still outperforming YoY levels by +84.3%.

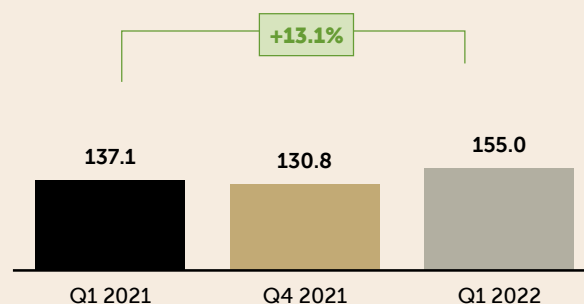
TOTAL REVENUE (AEDM)



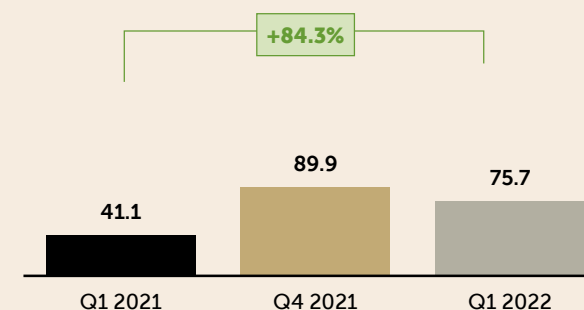
TILES REVENUE (AEDM)



SANITARYWARE REVENUE (AEDM)



TABLEWARE REVENUE (AEDM)

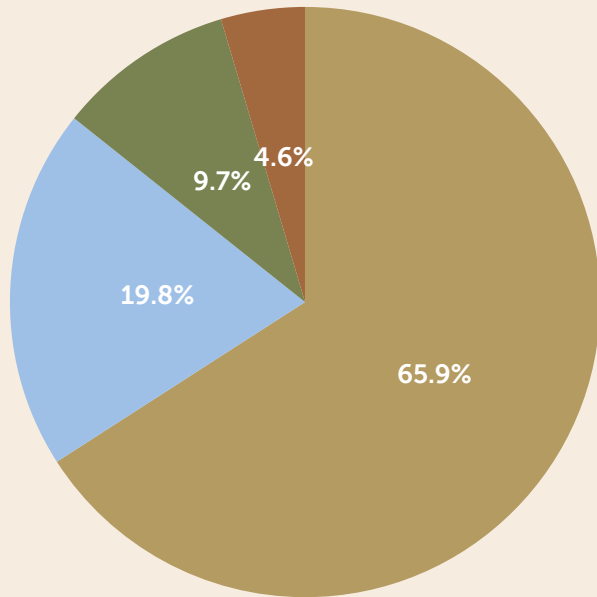


Q1 2022 revenue recovery by end market

| REVENUE BY END MARKET (AED M) | YEARLY COMPARISON | | | | |
|---------------------------------------|-------------------|--------------|--------------|---------------|---------------|
| | Q1 2021 | Q4 2021 | Q1 2022 | Growth | |
| | Amount | Amount | Amount | YoY | QoQ Growth |
| United Arab Emirates | 162.9 | 154.2 | 164.0 | 0.7% | 6.3% |
| Kingdom of Saudi Arabia | 162.2 | 102.6 | 123.0 | -24.2% | 19.8% |
| Middle East (Ex. UAE and KSA) | 23.4 | 36.5 | 36.6 | 56.8% | 0.3% |
| India | 96.3 | 117.6 | 99.5 | 3.4% | -15.4% |
| Europe | 100.2 | 82.0 | 108.9 | 8.7% | 32.9% |
| Bangladesh | 75.0 | 86.0 | 85.5 | 13.9% | -0.6% |
| Africa | 19.3 | 18.4 | 28.9 | 50.3% | 57.3% |
| Rest of the world | 18.2 | 18.2 | 24.7 | 35.8% | 35.5% |
| Tiles and sanitaryware revenue | 657.3 | 615.5 | 671.1 | 2.1% | 9.1% |
| Tableware revenue | 41.1 | 89.9 | 75.7 | 84.3% | -15.8% |
| Others revenue | 24.4 | 47.0 | 36.3 | 48.4% | -22.8% |
| Total Revenue | 722.8 | 752.4 | 783.1 | 8.3% | 4.1% |

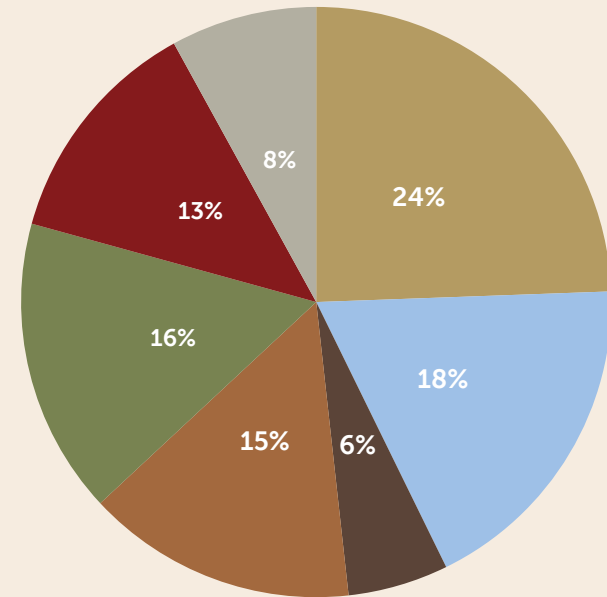
Revenue performance contribution

REVENUE CONTRIBUTION BY SEGMENT Q1 2022 %



- Tiles
- Sanitaryware
- Tableware
- Other

TILES & SANITARYWARE REVENUE CONTRIBUTION BY REGION Q1 2022 %



- UAE
- KSA
- ME
- India
- Europe
- Bangladesh
- Others

Gross profit margins

MANAGEMENT COMMENTS

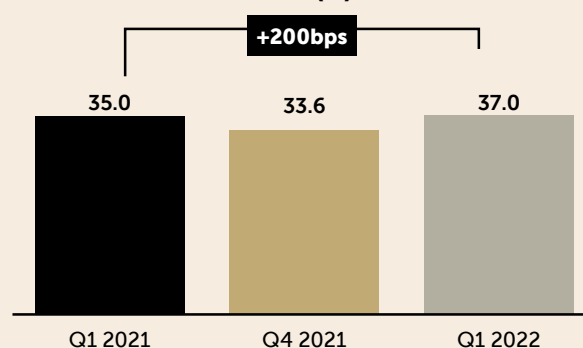
Total gross profit margin in Q1 2022 increased by +200bps YoY to 37.0% and by +340bps QoQ despite higher input and logistics cost and the imposition of the 12% customs duty in Saudi Arabia.

Tiles margin increased by +210bps QoQ to 35.3%.

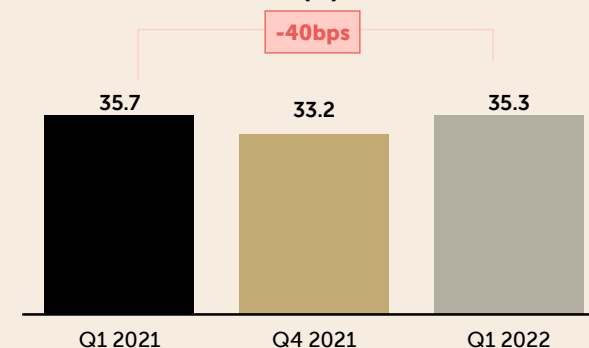
Sanitaryware margin increased by +1,120bps QoQ to 38.6%.

Tableware margins slightly decreased by -130bps QoQ yet still above YoY levels by +186bps due to increased revenue and productivity.

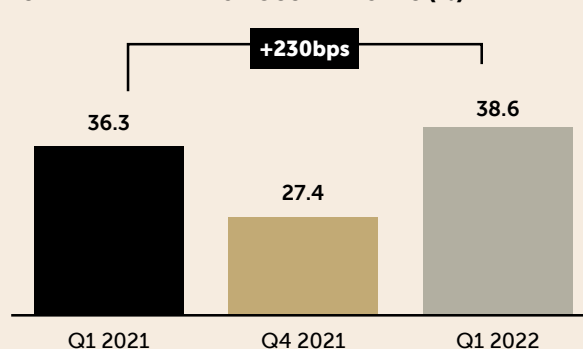
TOTAL GROSS MARGINS (%)



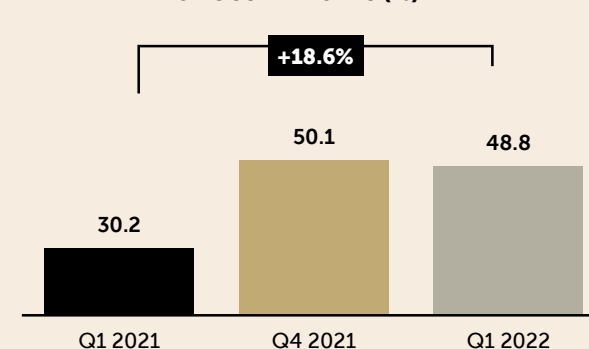
TILES GROSS MARGINS (%)



SANITARYWARE GROSS MARGINS (%)

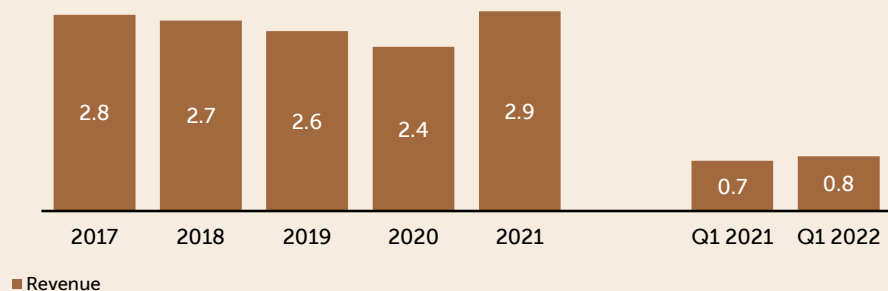


TABLEWARE GROSS MARGINS (%)

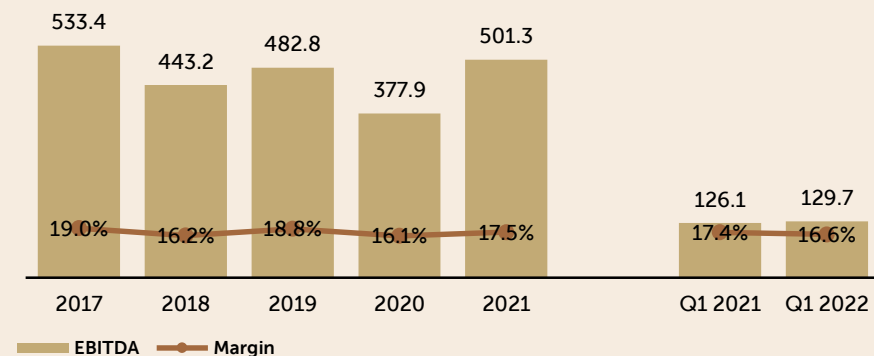


Financial performance trend

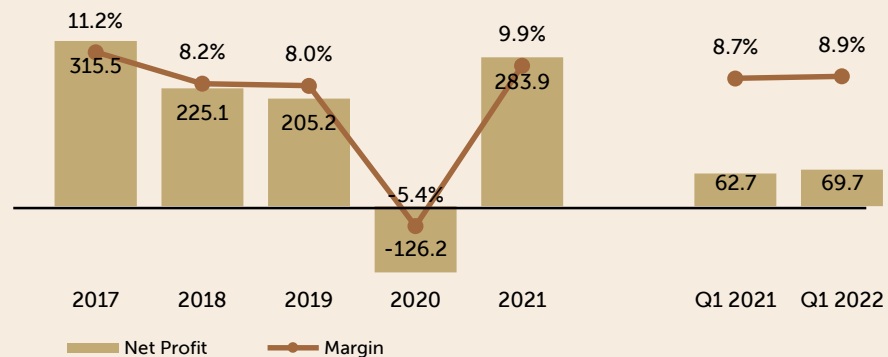
REVENUE (AED BN)



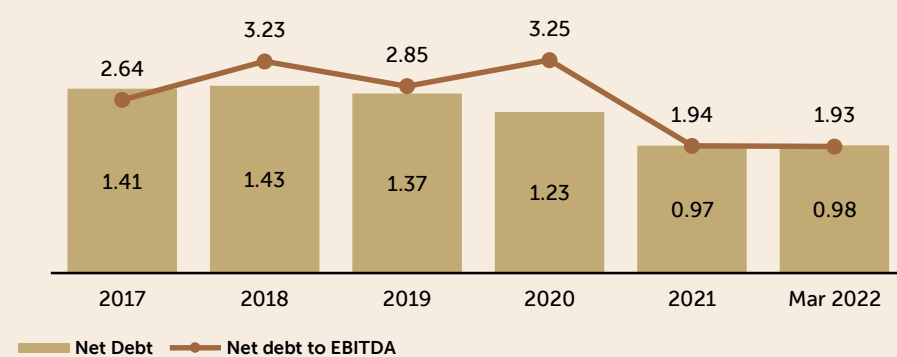
EBITDA (AED MN) AND MARGIN (%)



NET PROFIT (AED MN) AND MARGIN (%)

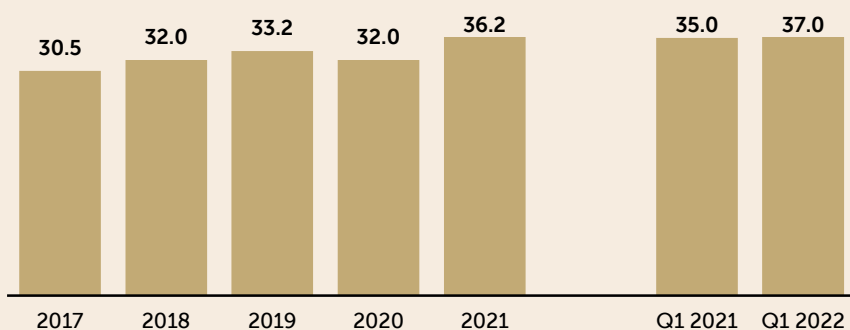


NET DEBT (AED BN) AND NET DEBT TO EBITDA (X)

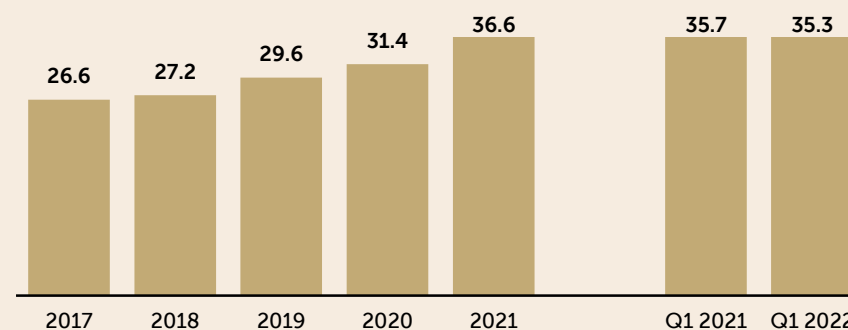


Gross profit margins trend

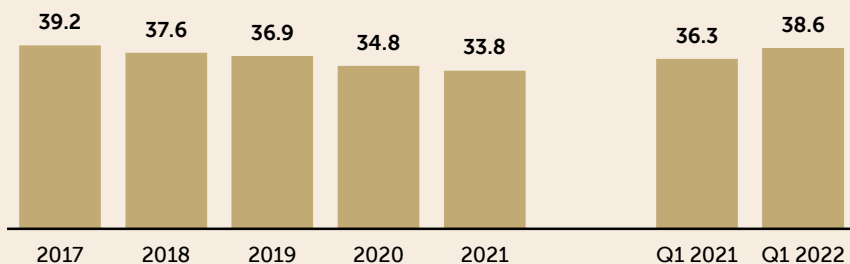
GROSS PROFIT (%)



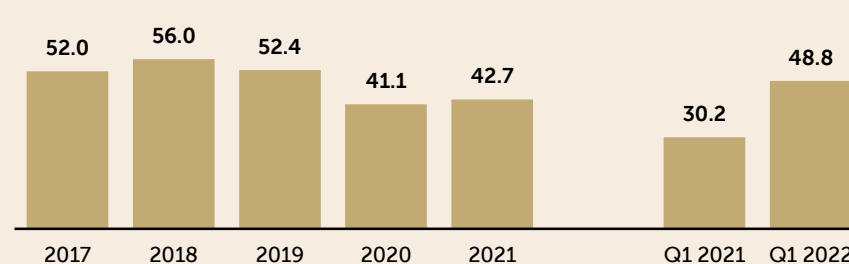
TILES GROSS PROFIT (%)



SANITARYWARE GROSS PROFIT (%)



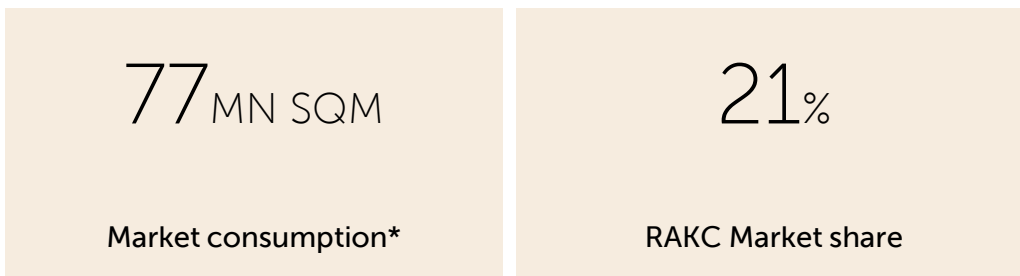
TABLEWARE GROSS PROFIT (%)



2016-2017 GP margins have been reclassified in line with 2018-2019 reported numbers. The reclassification is reduction of commission & rebates paid to customers from revenue.

Value and Growth in the UAE Market

UAE MARKET



KEY ACHIEVEMENTS

| | | |
|--|--|---|
| Strategic collaboration with ELIE SAAB | Increased retail footprint by revamping of our own showrooms | Launched e-commerce platform for Tiles and Sanitaryware |
| Strengthened brand positioning as a global provider of premium ceramic lifestyle solutions | Enhanced relationships with architects, interior designers and consultants | Maintained position with focus on media and digital marketing |

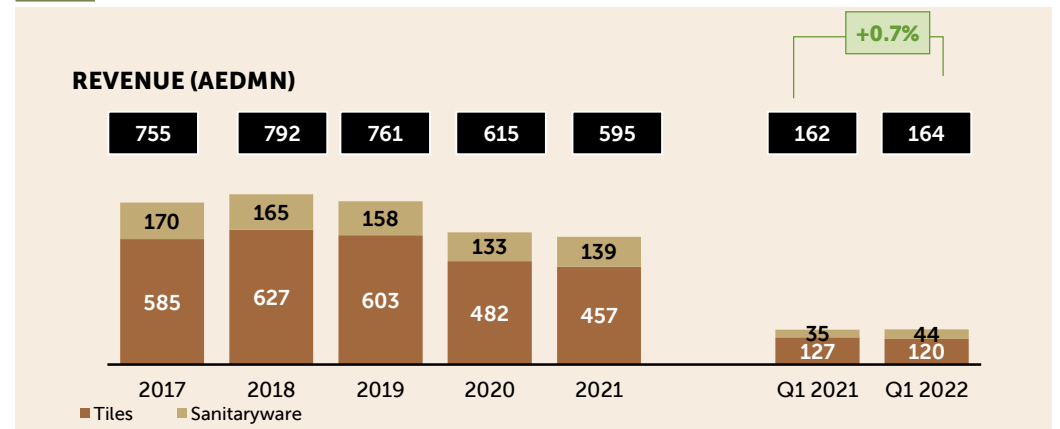
Growth / Value

Production lines have been optimized to match the demand

Continued improvement in operational efficiencies led to improved gross profit margins

Differentiate ourselves from competitors through better product management

Revenue increased by 0.7% YoY in 2022 mainly from wholesale and retail channel



Source: 2020 World Production & Consumption 2021
 RAK Ceramics PJSC © 2022. All rights reserved

Improved performance in Saudi Arabia

MANAGEMENT COMMENTS

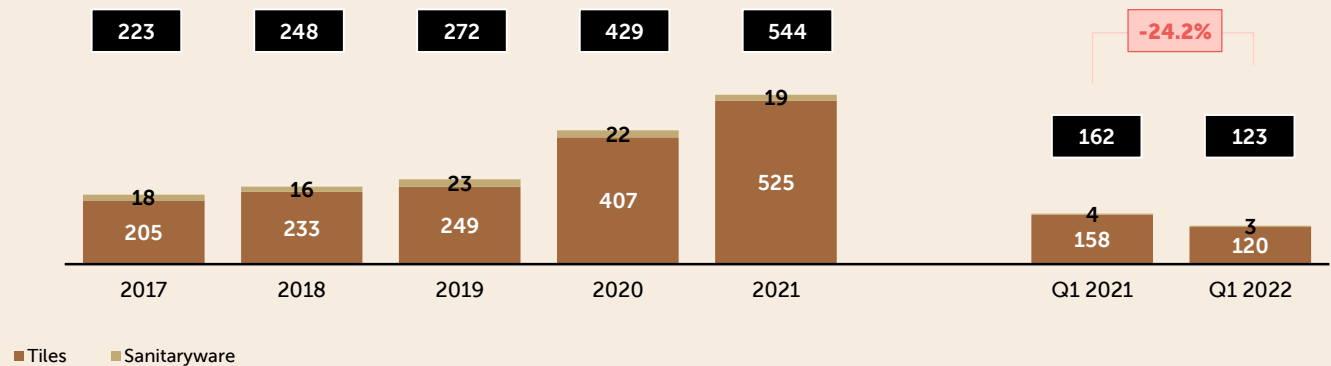
Revenue decreased by 24.2% year on year to AED 123m in Q1 2022 due to lower business from wholesale channel on account of custom duty implementation.

Saudi Arabia imposed 12% customs duty effective 1st July 2021 which reduced demand and impacted top-line. We had submitted duly certified regulatory documents in October 21 to comply with the requirements of Saudi Authorities for the exemption of custom duty. The authorities came back with additional requirements; revised documents have been submitted in April 2022. We are awaiting for duty exemption.

Despite the imposition of a 12% customs duty, QoQ growth was recorded on the back of increased retail presence, secured projects and adjustments in pricing.

The major contributor to sales growth came from our project and retail business. The retail sales grew by 106% year on year with the introduction of differentiated tile sizes and opening of 3 new showrooms in Riyadh & Madinah in 2022.

REVENUE (AEDMN)



Our strategy continues to yield results. Demand for our products continues to grow

Growth

Positioned ourselves as premium product supplier with differentiated products compared to local manufacturers.

Value

Taking initiatives to increase footprint in retail sales by opening new showrooms and improve B2B and B2C channels

The Kingdom is now a key market for us and will continue to play a role in the company's long-term growth strategy.

Improved performance in Europe

MANAGEMENT COMMENTS

Albeit recorded growth in revenues, bottom-line was impacted due to higher shipping freight rates.

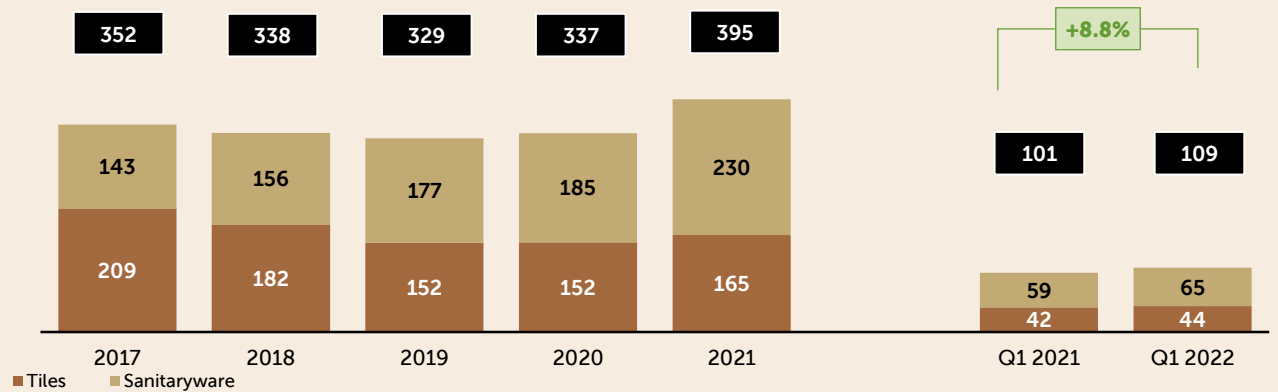
Company continues to position the brand as a trusted ceramic solution provider, increasing customer base by adding further showrooms, expanding distribution network and tapping into E-commerce platform.

In the Q1 2022 revenue increased by 8.8% year on year to AED 109 million compared to the Q1 2021. Europe performance impacted by higher freight rates, owing to supply chain disruption and increased energy costs.

In view of rising inflation and logistics costs, we have increased selling price to consumers to partly offset increase costs, while preserving market share.

A new showroom in London will be opened in Q2 2022 for which work is in progress.

REVENUE (AEDMN)



Growth
/
Value

Operational performance continued to improve

Competitors in Europe are facing difficulties due to rising energy prices and scarcity of raw materials imported from Ukraine, represents a unique and concrete opportunity to increase our market share

Differentiate ourselves from competitors through better product management

Rationalization of costs structure has improved bottom line.

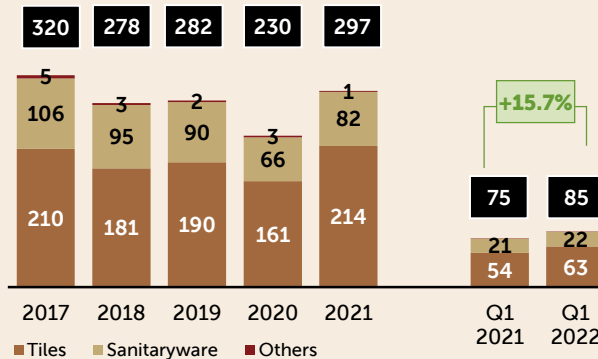
Value and Growth in Bangladesh operations

MANAGEMENT COMMENTS

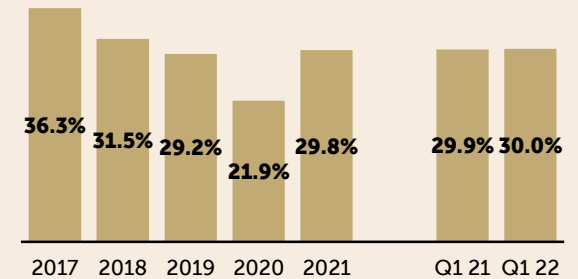
Company demonstrated resilience and reported strong year on year growth supported by differentiated products for premium segment despite. Revenue increased by 15.7% year on year to AED 85.0 million.

Share price increased from BDT 30.9 to 47.6 in last one year and trading with a P/E multiple of 21.8x.

REVENUE (AED MN)



GROSS PROFIT MARGIN (%)



BANGLADESH

68%

Ownership

~\$234M

Market Cap
(Listed in DSE).
As at 9th May 22

~31.0%

of RAKC Market Cap
while revenue
contribution is 11.0%

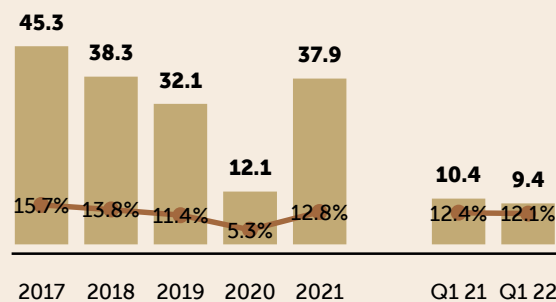
Strengthening the
dealers network
and improve B2B
sales through
corporates

Improve Brand
position with
introduction of
new products

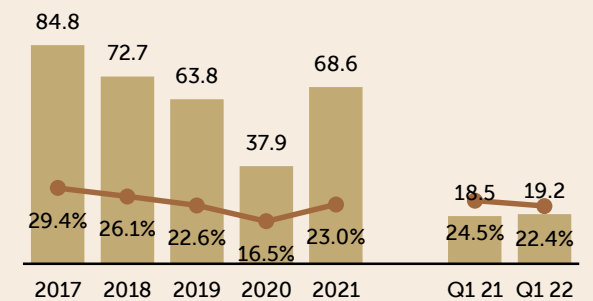
21.8x

P/E Multiple

NET PROFIT (AED MN) AND MARGIN (%)



EBITDA (AED MN) AND MARGIN (%)



Performance rebound from Indian operations

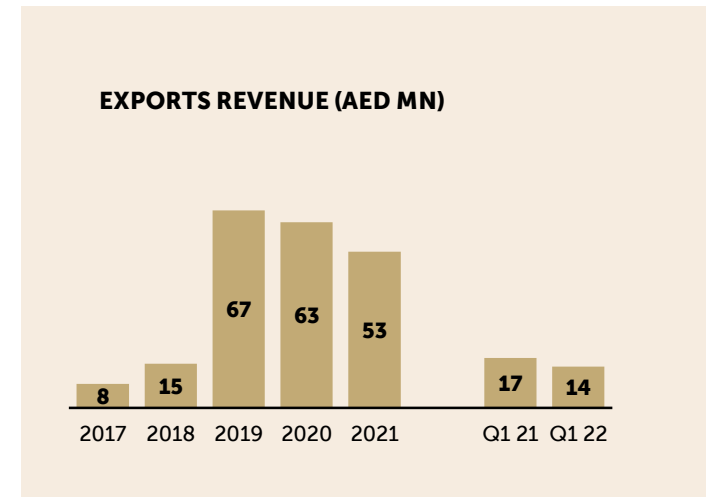
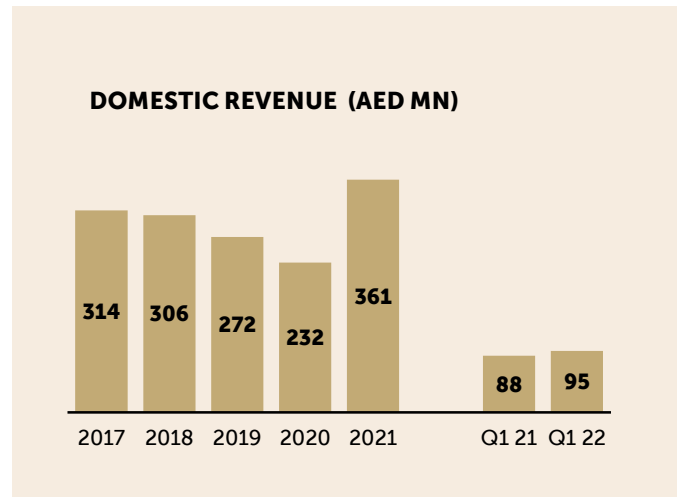
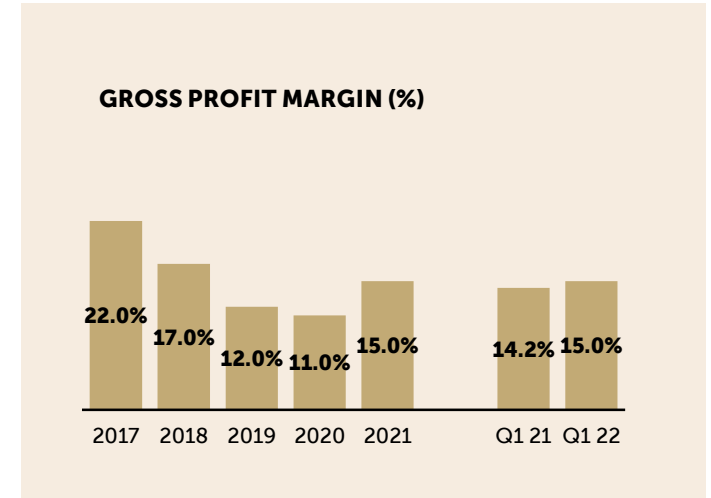
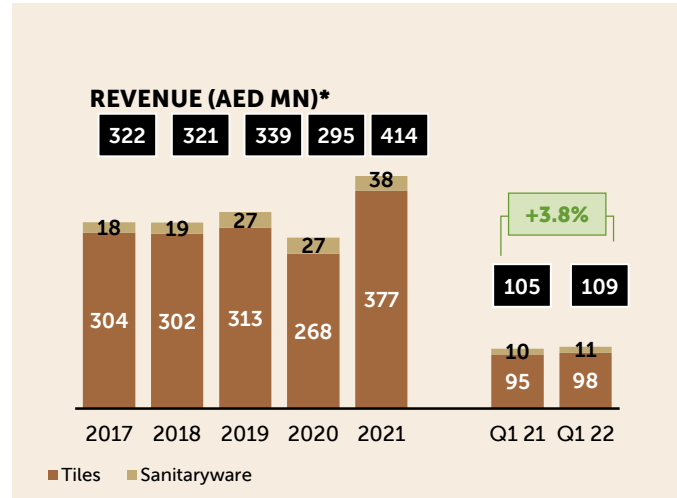
MANAGEMENT COMMENTS

Stable performance on the back of improved margins. Production efficiency have improved and energy consumption was reduced following installation of energy-saving instruments.

Revenue in Q1 2022 increased by 3.8% year on year, to AED 109m, supported by expanding dealer's network presence in additional 12 districts

Despite increase in energy prices, minor price adjustments were applied across the local ceramics industry; we remain in-line with peers and focused on preserving market share.

Our Indian operations continue to post positive results since the last six quarters.



*Including sales to group companies

Tableware performance trend

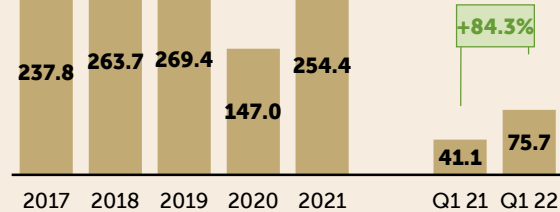
MANAGEMENT COMMENTS

Tableware business has solid performance supported by recovery in the hospital sector despite continued supply chain distortion and higher shipping freight costs.

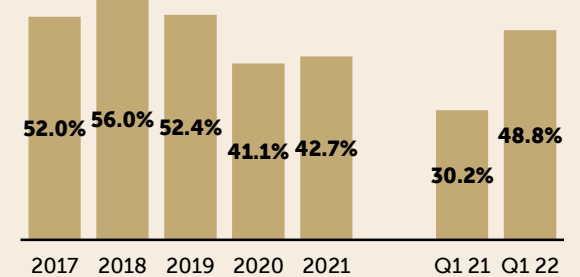
Revenue increased by 84.3% year on year to AED 75.7 million in Q1 2022. Plant is operating at full capacity to meet the demand.

Our strategic focus remains to grow our market share by introducing differentiated and innovative products, potentially unlocking the status of a one stop manufacturer for all Porcelain variants for the company. Commercial production of Bone China has started in end of March 2022.

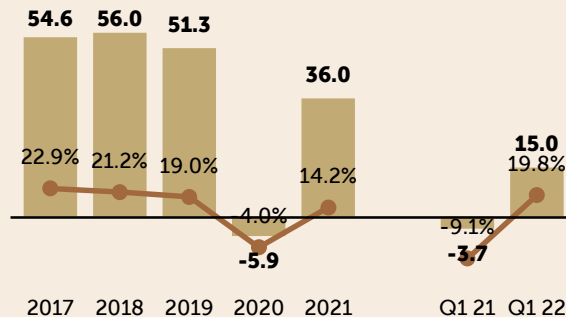
REVENUE (AED MN)



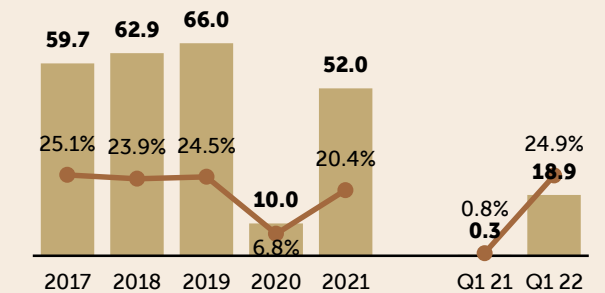
GROSS PROFIT MARGIN (%)



NET PROFIT (AED MN) AND MARGIN (%)



EBITDA (AED MN) AND MARGIN (%)



Balance sheet evolution

MANAGEMENT COMMENTS

Return on Equity in March 2022 is at 11.4% (annualized)

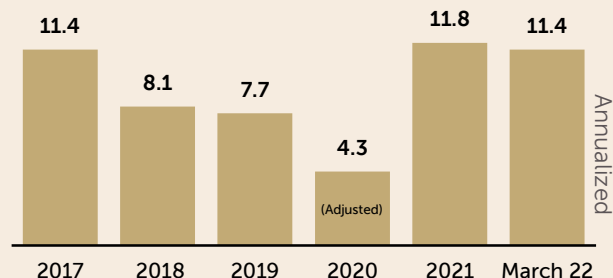
Inventory days decreased by 2 days in March 2022 compared to 2021

Trade receivable days decreased from 94 days in 2021 to 88 days in March 2022 supported by tightened collection policy.

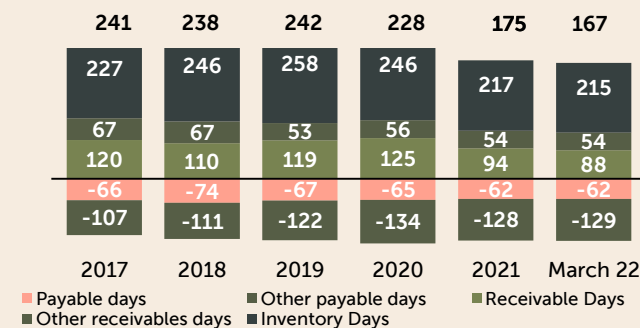
Overall working capital days are decreased from 175 days to 167 days at an all-time low. In absolute terms overall working capital decreased by AED 33m to AED 1.26bn.

Capex guidance for 2022 is AED 300m-400m.

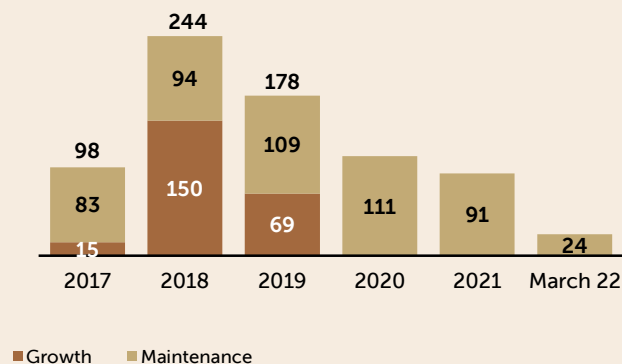
RETURN ON EQUITY (%)



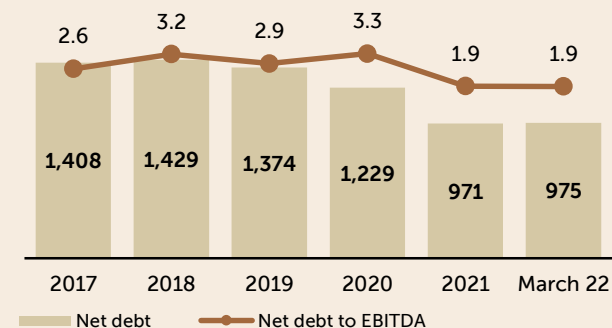
WORKING CAPITAL CYCLE (DAYS)



CAPEX SPENDING (AED MN)

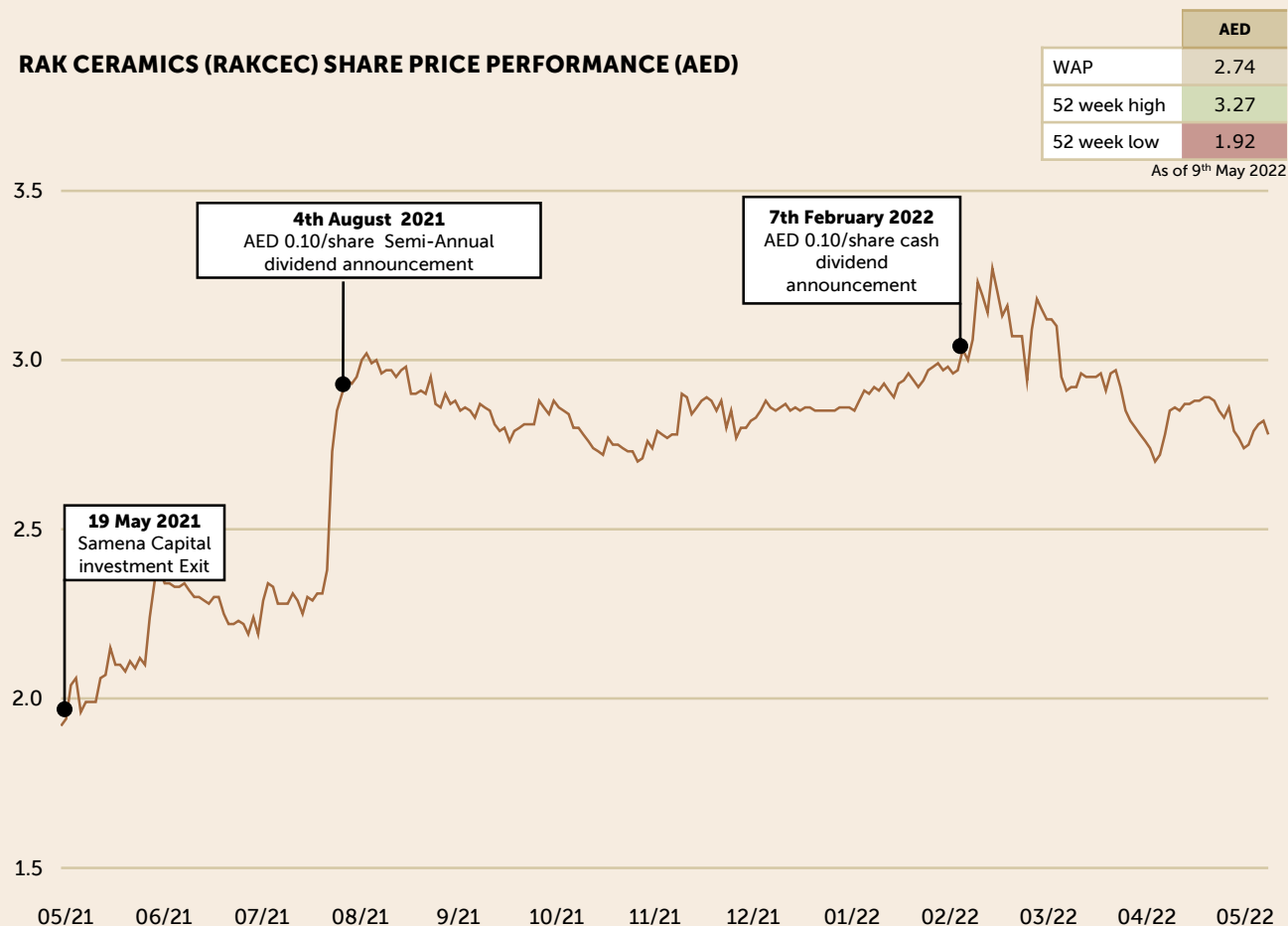


NET DEBT (AED MN)



RAK Ceramics Share price movement

RAK CERAMICS (RAKCEC) SHARE PRICE PERFORMANCE (AED)



CURRENT VALUATION (AED M)

| | 09/05/2022 | 31/12/2021 |
|--------------------------|--------------|------------|
| | Amount | Amount |
| Share price | 2.78 | 2.85 |
| Number of shares (in Mn) | 994 | 994 |
| Market Cap | 2,762 | 2,832 |
| Net debt | 975* | 971 |
| Minorities | 233* | 227 |
| Enterprise Value | 3,971 | 4,030 |

*Net debt and minorities as of 31st Mar 2022

LTM TRADING MULTIPLES

| | Multiple |
|-------------|----------|
| EV / Sales | 1.4x |
| EV / EBITDA | 7.9x |
| P / E | 11.4x |
| P / B | 1.3x |

As of 9th May 2022

RAKC Bangladesh Share price movement

RAKC BD SHARE PRICE PERFORMANCE (BDT)



CURRENT VALUATION (USD M)

| | 09/05/2022 | 31/12/2021 |
|--------------------------|------------|------------|
| | Amount | Amount |
| Share price | 0.55 | 0.52 |
| Number of shares (in Mn) | 428 | 428 |
| Market Cap | 234 | 224 |
| Net debt* | -26 | -22 |
| Minorities* | 26 | 26 |
| Enterprise Value | 234 | 228 |

*Net debt and minorities as of 31st March 2022. Exchange rate USD 1=BDT 87

LTM TRADING MULTIPLES

| | Multiple |
|-------------|----------|
| EV / Sales | 2.9 |
| EV / EBITDA | 13.0x |
| P / E | 21.8x |
| P / B | 2.8x |

As of 9th May 2022

KEY INDICATORS (USD M)

| | RAKC | RAKCB D |
|-----------------------|------|---------|
| Revenue (LTM) | 795 | 82 |
| EBITDA (LTM) | 137 | 19 |
| Net Income (LTM) | 79 | 11 |
| Market Capitalization | 752 | 234* |

68.13% holding by RAK Ceramics PJSC

*As of 9th May 2022

Appendix



Tiles revenues by end market

| Amount in AED M | QUARTERLY COMPARISON | | | | |
|--------------------------------------|----------------------|--------------|--------------|----------------|----------------|
| | Q1 2021 | Q4 2021 | Q1 2022 | Growth % | |
| | Amount | Amount | Amount | YoY | QoQ |
| United Arab Emirates | 127.4 | 120.3 | 119.9 | (5.9%) | (0.3%) |
| Kingdom of Saudi Arabia | 158.3 | 100.2 | 119.8 | (24.3%) | 19.6% |
| Middle East (Ex. UAE and KSA) | 19.7 | 32.5 | 32.2 | 63.5% | (0.9%) |
| India | 88.5 | 109.4 | 91.7 | 3.6% | (16.2%) |
| Europe | 41.5 | 34.3 | 44.0 | 6.0% | 28.3% |
| Bangladesh | 53.6 | 63.2 | 63.2 | 17.9% | 0.0% |
| Africa | 16.4 | 15.9 | 26.0 | 58.5% | 63.5% |
| Rest of the world | 14.7 | 14.3 | 19.3 | 31.3% | 35.0% |
| Total | 520.1 | 490.1 | 516.1 | (0.8%) | 5.3% |

Sanitaryware revenues by end market

| Amount in AED M | QUARTERLY COMPARISON | | | | |
|--------------------------------------|----------------------|--------------|--------------|----------------|---------------|
| | Q1 2021 | Q4 2021 | Q1 2022 | Growth % | |
| | Amount | Amount | Amount | YoY | QoQ |
| United Arab Emirates | 35.5 | 33.9 | 44.1 | 24.2% | 30.1% |
| Kingdom of Saudi Arabia | 3.9 | 2.5 | 3.2 | (17.9%) | 29.7% |
| Middle East (Ex. UAE and KSA) | 3.6 | 4.0 | 4.4 | 22.2% | 10.0% |
| India | 7.8 | 8.2 | 7.9 | 1.3% | (3.7%) |
| Europe | 58.7 | 47.7 | 64.9 | 10.6% | 36.1% |
| Bangladesh | 21.5 | 22.8 | 22.3 | 3.7% | (2.2%) |
| Africa | 2.9 | 2.5 | 2.9 | 0.0% | 16.0% |
| Rest of the world | 3.3 | 3.9 | 5.3 | 60.6% | 35.9% |
| Total | 137.2 | 125.6 | 155.0 | 13.0% | 23.4% |

EBITDA and Like-for-Like Profit workings

| EBITDA WORKING | QUARTERLY COMPARISON | | |
|--|----------------------|--------------|--------------|
| | Q1 21 | Q4 21 | Q1 22 |
| | Amount | Amount | Amount |
| Amount in AED M | | | |
| Net profit/(loss) after tax | 62.7 | 62.9 | 69.7 |
| Tax | 5.6 | 12.8 | 6.9 |
| Interest- net | 15.3 | 5.5 | 12.2 |
| Depreciation & amortizations | 42.1 | 41.0 | 40.5 |
| Depreciation on hyper inflated assets | 0.3 | 0.5 | 0.4 |
| Loss /(gain)on sale of assets and CWIP write-off | - | (0.6) | - |
| EBITDA | 126.1 | 122.1 | 129.7 |

| LIKE-FOR-LIKE PROFIT WORKING | QUARTERLY COMPARISON | | |
|---|----------------------|-------------|-------------|
| | Q1 21 | Q4 21 | Q1 22 |
| | Amount | Amount | Amount |
| Amount in AED M | | | |
| Net profit /(loss) after tax | 62.7 | 62.9 | 69.7 |
| Add: Extra-ordinary impairment on trade receivables | - | 7.5 | - |
| Add: Hyper-inflation impact | 0.8 | 1.2 | 1.1 |
| Like for Like Net profit | 63.5 | 71.6 | 70.8 |

RAK

CERAMICS

