

RAK

CERAMICS

ANNUAL GENERAL MEETING

11TH MARCH 2020

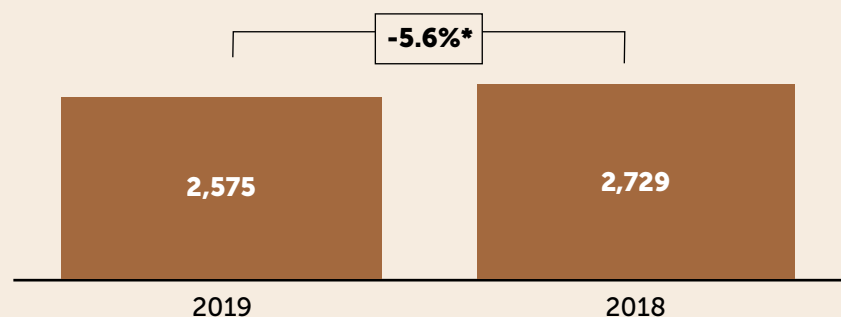


Financial Results 2019

FY 2019 Key financial highlights

REVENUE (AED MN)

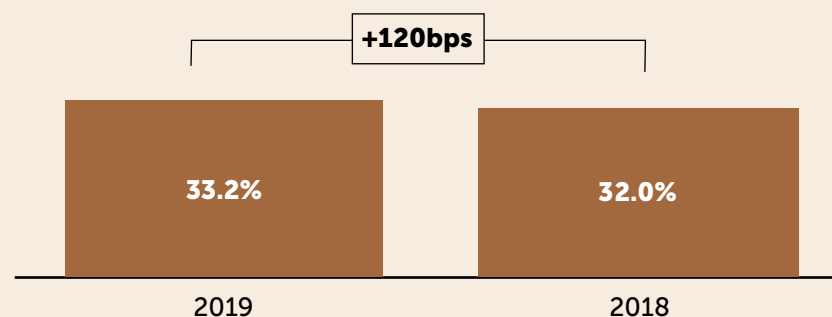
TOTAL REVENUE (AED MN)



*On Constant currency of 2018 revenue decrease is -2.8% YoY.

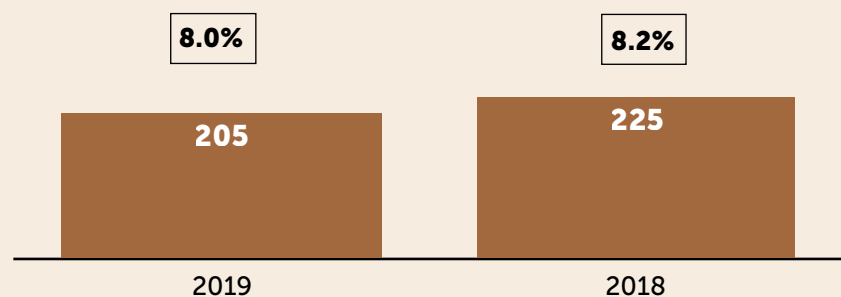
GROSS PROFIT MARGIN (%)

GROSS PROFIT MARGIN (%)



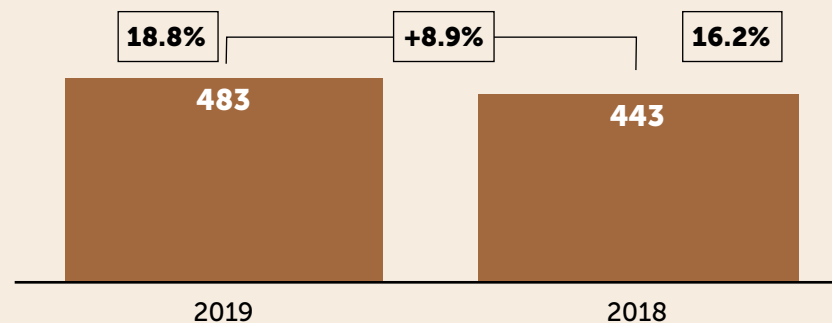
NET PROFIT (AED MN) AND MARGIN (%)

NET PROFIT / MARGINS (%)



EBITDA (AEDMN) AND MARGIN (%)

EBITDA / MARGINS (%)

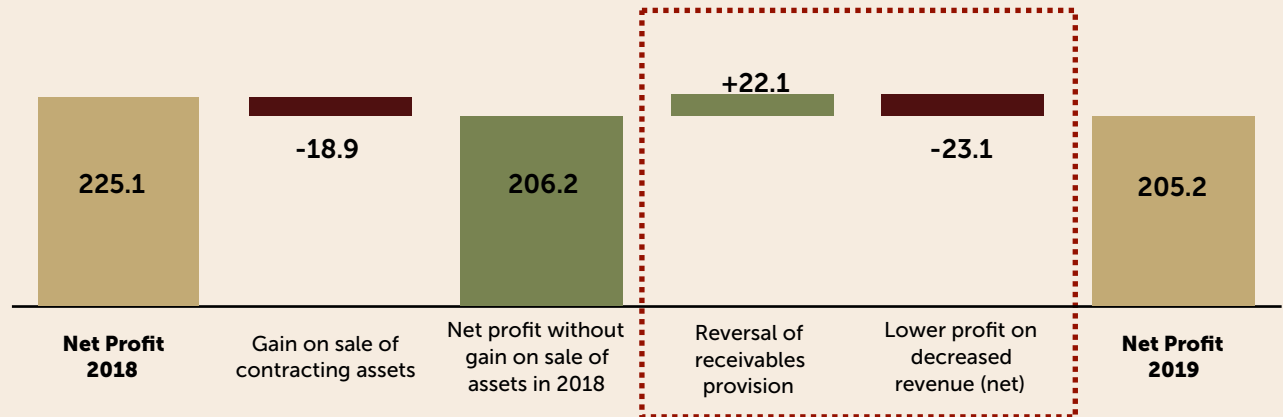


2019 highlights and challenges

Reported net profit in 2019 decreased to AED205.2m, due to a revenue decrease impacting the bottom line by AED23.1m.

Net profit in 2018 benefitted from gains on sale of contracting assets, while 2019 net profit was positively impacted by improved margins due to efficiencies.

NET PROFIT BRIDGE (AED MN)



2019 HIGHLIGHTS

- Revenue growth in sanitaryware, tableware and faucets businesses.
- Continued cost efficiencies, increasing gross profit margins.
- Saudi Arabia demonstrated strong performance in revenue growth supported by growth in wholesale business.
- India as a hub to serve export markets has been established successfully.
- Europe performance improving driven by improved margins and lower SG&A.
- Partnerships with renowned designers and investment in product development and innovation.

2019 CHALLENGES

- Increasing competition from local manufacturers in export markets, our tiles revenue decreased by -9.9% YoY.
- In India domestic revenue declined by -8.5% in INR YoY due to tough market conditions on sluggish real estate market.

2019 vs 2018 performance by segment

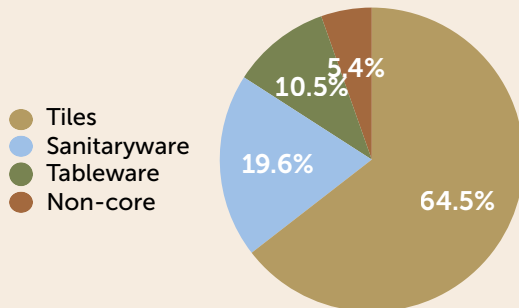
On constant currency of 2018 total revenue decrease is -2.8% YoY.

Tiles revenue decreased by -9.9% due to global excess capacities continues to create a challenging business environment.

Sanitaryware revenue in 2019 increased by +4.0% YoY due to strong performance in all markets except UAE & Bangladesh.

On constant currency of 2018, the tableware revenue increase is +4.1% YoY.

REVENUE BY SEGMENT 2019 (%)



REVENUE BY SEGMENT (AED MN)

	2019		2018	
	Amount	Amount	Amount	Growth
Tiles	1,661.8	1,843.8		-9.9%
Sanitaryware	504.7	485.2		4.0%
Tableware	269.4	263.7		2.2%
Others	138.6	135.8		2.1%
Total Revenue	2,574.5	2,728.5		-5.6%

Balance sheet highlights

2019 RESULTS

Return on equity is 7.7% in 2019.

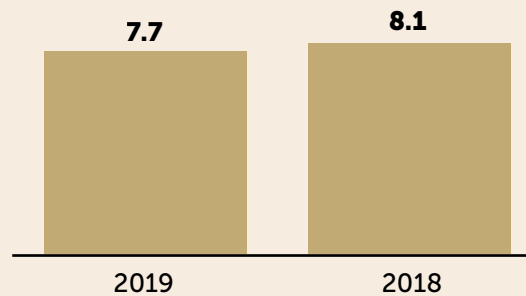
Inventory days increased by 12 days to 258 days and Trade receivables days increased from 110 days to 119 days in 2019 mainly due to decrease in revenue.

Payable days has decreased from 74 days in 2018 to 67 days in 2019 for Capex payments.

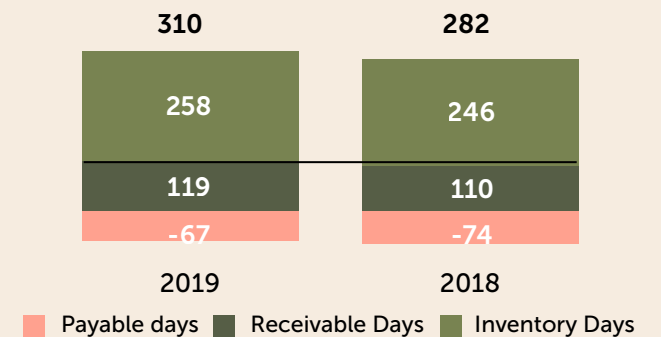
Increase in overall working capital days compared to 2018 was mainly due to a decrease in YoY sales by -5.6% and a reduction in trade payable days.

Capex for 2019 includes AED 37mn for the Morbi JV greenfield project and AED 21mn for the Luxembourg tableware warehouse.

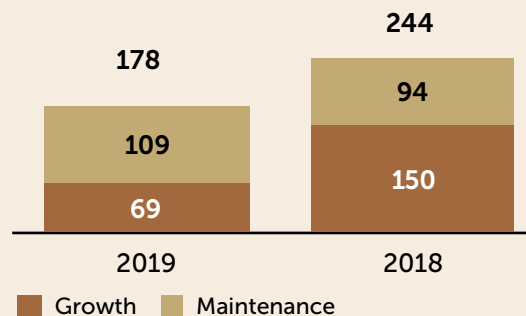
RETURN ON EQUITY (%)



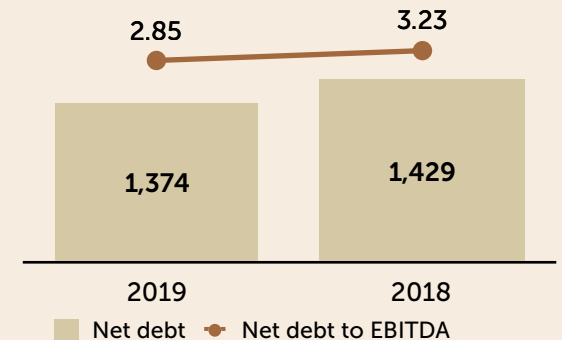
OPERATING CYCLE (DAYS)



CAPEX SPENDING (AED MN)



NET DEBT (AED MN)



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