



# RAK

## CERAMICS

**EARNINGS PRESENTATION – Q4 & FY 2024 RESULTS**

February 2025

# Agenda



- 01 | Executive Summary
- 02 | Business Highlights
- 03 | Q4 & FY 2024 Financial Results Update
- 04 | Trading Update
- 05 | Closing Remarks
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# Speakers



**Abdallah Massaad**  
Group Chief Executive Officer

Abdallah Massaad is Group CEO of RAK Ceramics and has more than 26 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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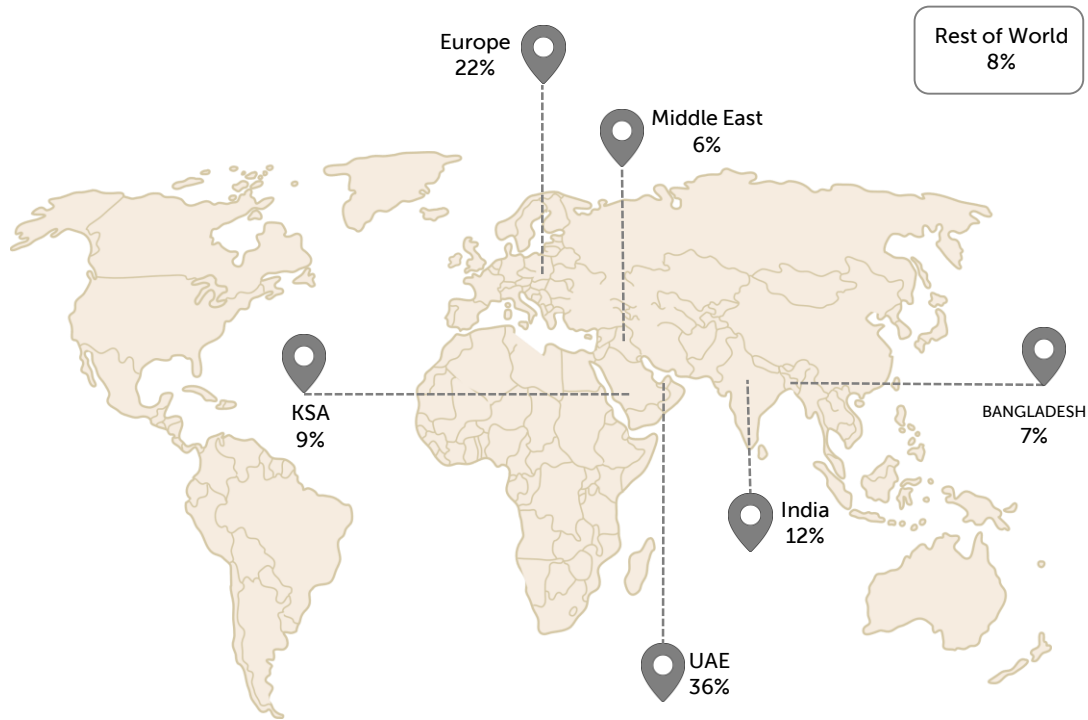


# Business Highlights

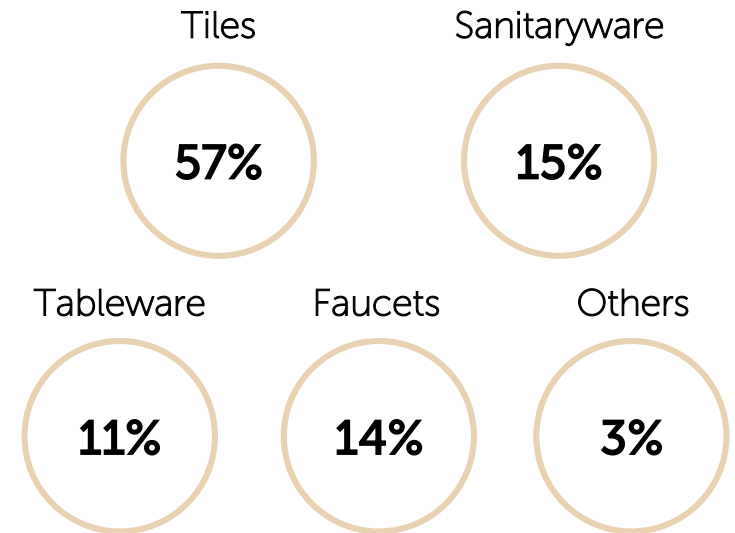
Speaker: Abdallah Massaad  
Group CEO

# Global Business Presence

## 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

# Q4 2024 Business Performance Highlight

## Tiles & Sanitaryware Market Highlights

- **UAE:** Registered a strong 9.6% YoY revenue growth, driven by the booming real estate sector and favorable market dynamics.
- **KSA:** KSA market has started recovery in Q4, with revenue grew by 20.1% YoY and 23.7% QoQ as customs duty relief on UAE exports helped us regain market share in the wholesale segment. Our flexible pricing strategy has helped us in sustaining growth in a competitive market and positioning us for continued success.
- **Europe:** Demand in Europe continues to be lower driven by inflation, recessionary pressure, weak Euro vs USD and the ongoing geopolitical tensions. Rising transportation costs have further impacted margins, but we remain committed to exploring opportunities to maintain our presence in this critical market.
- **India:** Revenue increased by 13.7% YoY, supported by strong infrastructure development and growing disposable income. India's growth momentum highlights its potential as a key driver of future expansion in our portfolio.
- **Bangladesh:** Revenue declined by 11.1 % YoY due to political instability and severe gas crisis. However, the market has rebounded impressively in Q4, driving growth of 61.4% QoQ.

## Segment Highlights

- **Tiles** revenue recorded strong Q4 growth in both volumes and value , led by robust performance in the UAE, KSA, India, and Europe. However, full-year results showed decline in all markets except UAE and India.
- **Sanitaryware** revenue declined 4.7% YoY to AED 120.4 million, mainly due to weaker demand in Bangladesh and Europe, particularly in the UK. The ongoing geopolitical tensions continue to affect key markets, affecting overall performance.
- **Tableware** revenue declined by 7.5% YoY to AED 101.8 million, impacted by slowing demand and fewer new hotel projects due to regional conflicts. Supply chain disruptions and currency depreciation further impacted performance, especially in Egypt, Asia, and Africa.
- **Faucets** revenue declined by 3.3% YoY, reaching AED 109.5 million, impacted by geopolitical tensions, challenges in transformation of Kludi Europe owing to inflation, recessionary pressures, higher logistics cost. The slowdown in China's real estate sector and new sanctions on Russia also contributed to the decline.



# Q4 2024 Key Challenges

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"> <li>Partnership with reputed developers in the UAE to provide Tiles and Sanitaryware products for their projects.</li> </ul>
SAUDI ARABIA	Oversupply of tiles by local manufacturers and rise in transportation cost for exports from the UAE has impacted our ability to compete in the wholesale segment	<ul style="list-style-type: none"> <li>Recent relief by the government by way of exemption from payment of custom duty on imports will allow us to improve the overall performance.</li> <li>Focus on premium products to strengthen our retail and projects business is helping us to sustain our margins.</li> </ul>
EUROPE	<p>Adverse market conditions have led many companies to lower prices substantially.</p> <p>Increased transportation costs and delay in delivery timelines remain critical issues</p> <p>Delay in transformation of Kludi Europe business</p>	<ul style="list-style-type: none"> <li>Planned initiatives include strengthening brand awareness and presence through events and engagements at the Design Hub with architects and designer community</li> <li>Continue implementing KLUDI turnaround plan including shift in production capabilities from EU to UAE to improve performance</li> </ul>
INDIA	Lower demand due to increased interest rates, currency devaluation and intense competition	<ul style="list-style-type: none"> <li>Launched new large format products for this market and plans to strengthen our Retail presence and experience to improve revenue and margins</li> </ul>
BANGLADESH	Political instability, severe gas crisis, intense local competition and currency devaluation	<ul style="list-style-type: none"> <li>We are working on establishing strong distribution network and the focus is on delivering high-quality products &amp; innovative solutions to differentiate from competition</li> </ul>



# Q4 2024 Key Strategic Updates

## Advancements on Expansionary Front.

### Expansion projects

- **UAE:** We continue to invest in upgrading our Tiles production facilities to allow us to produce differentiated and large format Tiles.
- We are also investing in our UAE Sanitaryware production facility to improve efficiencies and allow us to reduce our carbon emission and reduce the energy consumption

### Greenfield projects

- **Saudi Arabia:** We continue to work towards setting up a production facility in KSA.

- **Global Trade Fairs:** Participated in the Cersaie fair in Italy displaying the upcoming collection and received positive reception from the architects and design community
- **Retail Footprint expansion:** Opened a new RAK Ceramics showroom in Dubai, Sheikh Zayed Road which is built around the Lifestyle concept of display
- **Awards & recognition:** Recognized as the "UAE Industry 4.0 Leader" by the Ministry of Industry & Advanced Technology highlighting our contributions and advancement in digital transformation within Industrial Sector.
- Won the TECNA Award 2024 for Innovation and sustainability in recognition of the technological investments made by RAK Ceramics in 2024



# Q4 & FY 2024 Financial Performance Update

Speaker: PK Chand  
Group CFO

# Q4 2024 Financial Performance Snapshot



Revenue

**AED 870.9 MN**

↑ 0.5% YoY

↑ 8.5% QoQ



Gross Margin

**37.2%**

↑ 163 bps YoY



EBITDA

**AED 158.0 M**

↓ 4.7% YoY



Net Profit after tax

**AED 64.2 M<sup>\*</sup>**

↓ 21.5% YoY

\*Impact of newly introduced UAE corporate tax is AED 11.6m  
Lower other income by AED 20.9m YoY



Net Profit After Minority

**AED 58.7 M**

↓ 17.3% YoY



Net Debt

**AED 1.39 BN**

↓ 174.2M QoQ

# FY 2024 Financial Performance Snapshot



Revenue

**AED 3.23 BN**

↓ 6.5%YoY



Gross Margin

**39.3%**

↑143 bps YoY



EBITDA

**AED 592.2 M**

↓ 8.5% YoY



Net Profit after tax

**AED 234.1 M<sup>\*</sup>**

↓ 27.0% YoY

\*Impact of newly introduced UAE corporate tax is AED 33.9m  
Lower other income by AED 34.4m YoY



Net Profit After Minority

**AED221.1M**

↓ 24.0% YoY



Net Debt

**AED 1.39 BN**

↓ 26.2M



# Revenue Highlights Q4/FY 2024

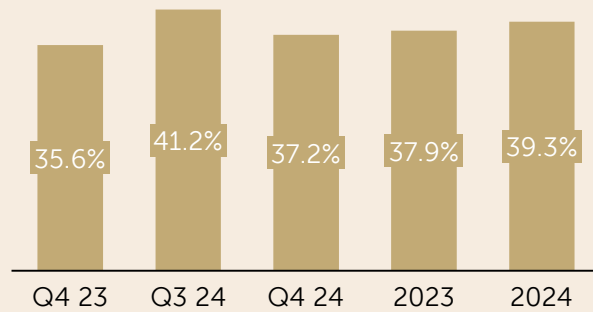
## MANAGEMENT COMMENTS

- Q4 2024 revenue at AED 870.9m, increased by 0.5% year-on-year FY 2024 is decreased by -6.5% at AED 3.23bn, reflecting global geopolitical tensions, market volatility, higher interest rates, and currency devaluation.
- Tiles revenue increased by 4.8% year-on-year to AED 518.1 million in Q4 24, following market recovery in KSA, Bangladesh and India and strong growth in UAE market.
- Sanitaryware revenue decreased by 4.7% year-on-year to AED 120.4million primarily due to lower revenue in Europe & Bangladesh markets.
- Tableware revenue decreased by 7.5% year-on-year at AED 101.8million in Q4 24 while in FY 2024 it decreased by 5.8% due to slowdown in hotel projects and spending due to ongoing regional conflicts,
- Faucets revenue decreased by 3.3% year-on-year to AED 109.5million in Q4 24 mainly driven by impact in the European and Asian markets on account of the ongoing geopolitical tensions.

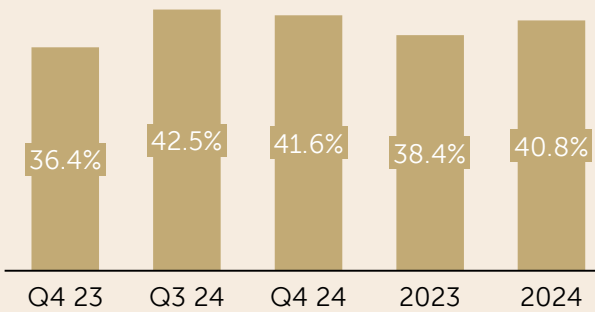
	Quarterly Comparison					Yearly Comparison		
	Q4 23	Q3 24	Q4 24		2023	2024		
	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	Growth
United Arab Emirates	207.0	222.0	226.8	9.6%	2.2%	786.7	842.5	7.1%
Kingdom of Saudi Arabia	71.0	69.0	85.3	20.1%	23.7%	350.3	282.0	-19.5%
Middle East (Ex. UAE & KSA)	39.7	32.9	33.5	-15.6%	1.6%	153.6	120.9	-21.3%
India	91.3	87.1	103.9	13.7%	19.2%	362.0	364.7	0.8%
Europe	79.2	89.6	80.2	1.3%	-10.4%	384.2	340.9	-11.3%
Bangladesh	73.9	40.7	65.7	-11.1%	61.4%	264.4	209.9	-20.6%
Africa	32.8	26.7	24.6	-25.0%	-7.9%	113.6	102.9	-9.4%
Rest of the world	25.7	17.7	18.5	-28.0%	4.6%	85.0	64.5	-24.1%
<b>Total Tiles &amp; Sanitaryware Revenue</b>	<b>620.6</b>	<b>585.7</b>	<b>638.5</b>	<b>2.9%</b>	<b>9.0%</b>	<b>2,499.8</b>	<b>2,328.4</b>	<b>-6.9%</b>
Tableware revenue	110.1	85.3	101.8	-7.5%	19.4%	392.2	369.3	-5.8%
Faucets revenue	113.2	108.8	109.5	-3.3%	0.7%	456.1	444.6	-2.5%
Others revenue	22.5	22.7	21.0	-6.5%	-7.5%	109.7	89.8	-18.1%
<b>Total Revenue</b>	<b>866.4</b>	<b>802.5</b>	<b>870.9</b>	<b>0.5%</b>	<b>8.5%</b>	<b>3,457.9</b>	<b>3,232.0</b>	<b>-6.5%</b>

# Gross Profit Margin

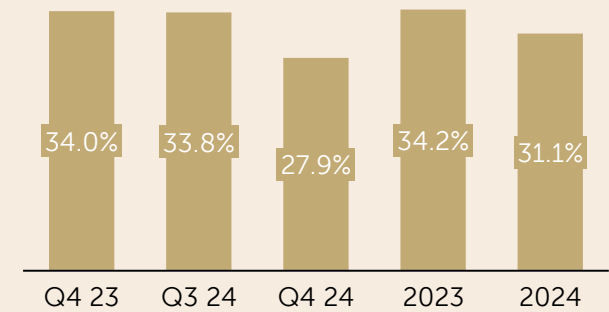
TOTAL GROSS MARGINS (%)



TILES GROSS MARGINS (%)



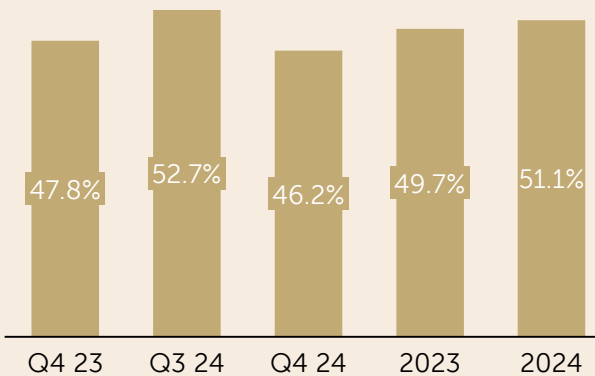
SANITARYWARE GROSS MARGINS (%)



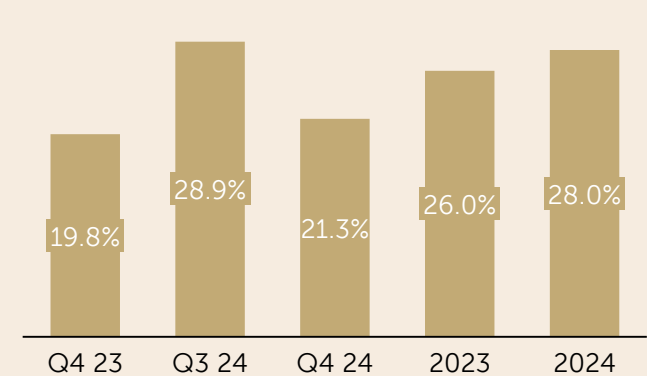
**MANAGEMENT COMMENTS**

- Q4 Gross profit margin increased by 163bps year-on-year to 37.2% supported by increase in margin in KSA,, UAE and recovery in Bangladesh market.
- Tiles margin in Q4 2024 increased by 520bps compared to Q4 2023 at 41.6%.
- Sanitaryware margin decreased by 610bps year-on-year at 27.9% in Q4 2024 due to lower demand and under utilisation of plants
- Tableware margin decreased by 160 bps year-on-year to 46.2% in Q4 2024 following change in product mix.
- Faucets GP margin increased by 200bps at 28.0% in FY 2024 due to rationalization of cost.

TABLEWARE GROSS MARGINS (%)

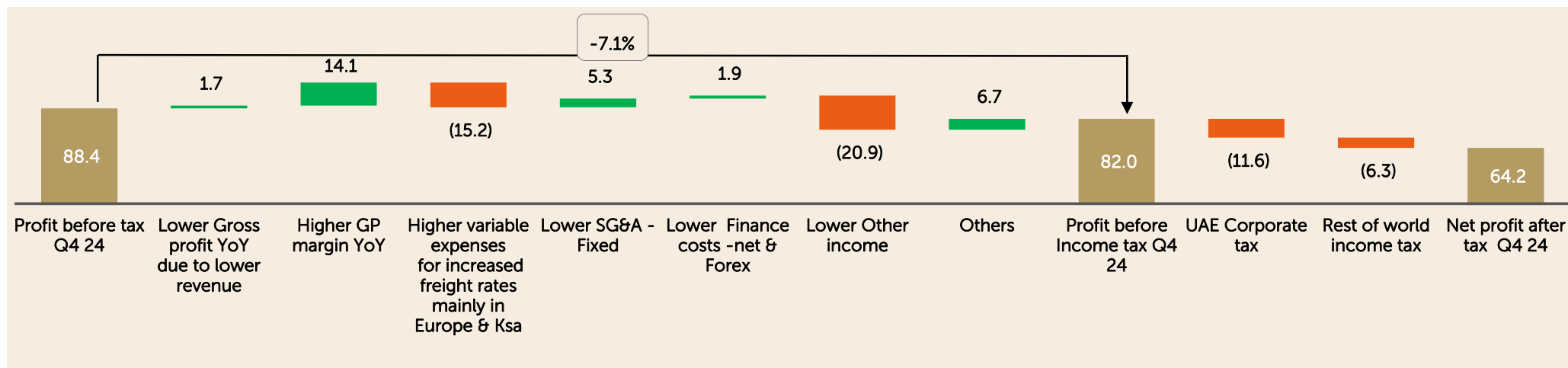


FAUCETS GROSS MARGINS (%)

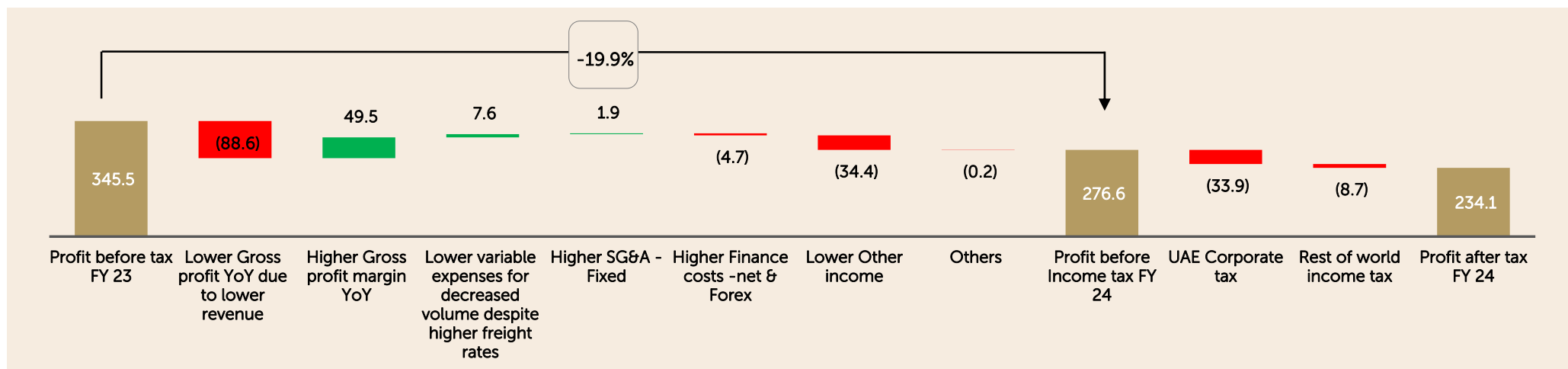


# Profitability Bridge

Q4 2023 vs Q4 2024 Profit Bridge (AEDM)



FY 2023 vs FY 2024 Profit Bridge (AEDM)

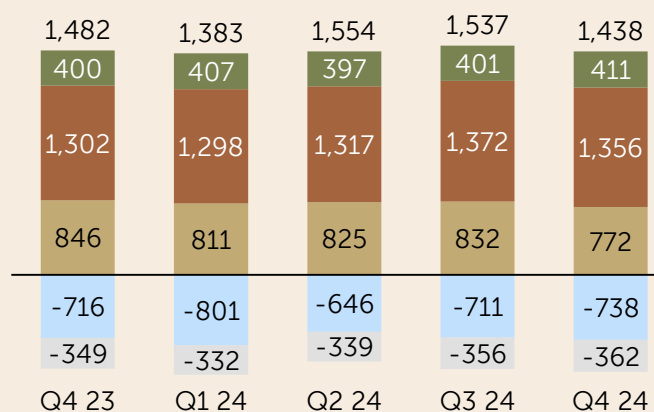


# Balance Sheet Highlights

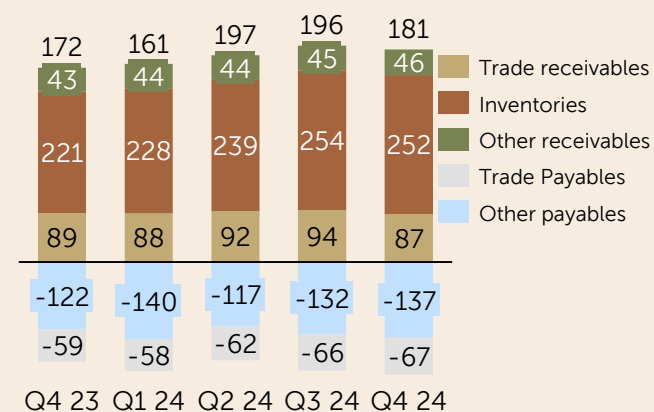
## MANAGEMENT COMMENTS

- Overall working capital cycle decreased from 196 days in Q3 2024 to 181 days in Q4 2024. Also, in absolute terms, working capital decreased by AED 99m to AED 1.44bn in Q4 2024, mainly due to decrease in trade receivables and increase in payables.
- Trade receivables decreased from 94 days in Q3 2024 to 87 days in Q4 2024 driven by stricter credit terms and efficient collection process.
- Inventory days decreased from 254 days to 252 days QoQ.
- Trade payable increased from 66 days in Q3 2024 to 67 days in Q4 2024.
- Net debt decreased by AED 174m at 1.39bn compared to September 2024 and 26.2m compared to December 2023,
- Net debt to EBITDA also decreased from 2.61x in Sep 24 to 2.35x in December 2024.
- Capex guidance for 2025 is at AED 350-400M.

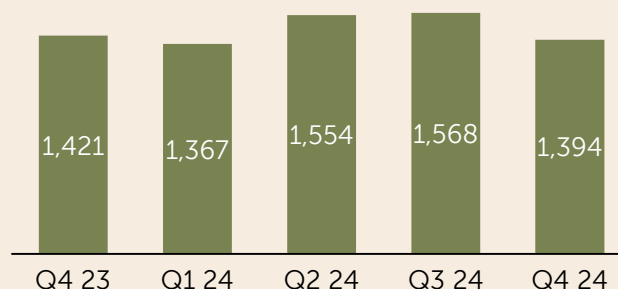
## WORKING CAPITAL (AEDM)



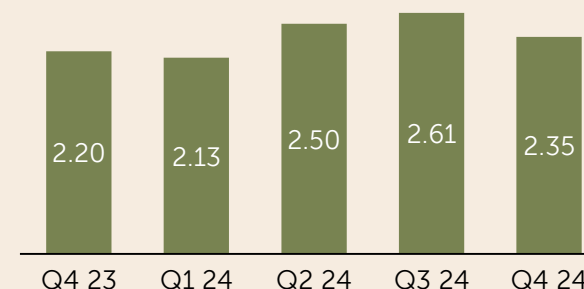
## WORKING CAPITAL (DAYS)



## NET DEBT (AEDM)



## NET DEBT TO EBITDA (X)







# Share Price Update

Speaker: PK Chand  
Group CFO

# Dividend Update

## MANAGEMENT COMMENTS

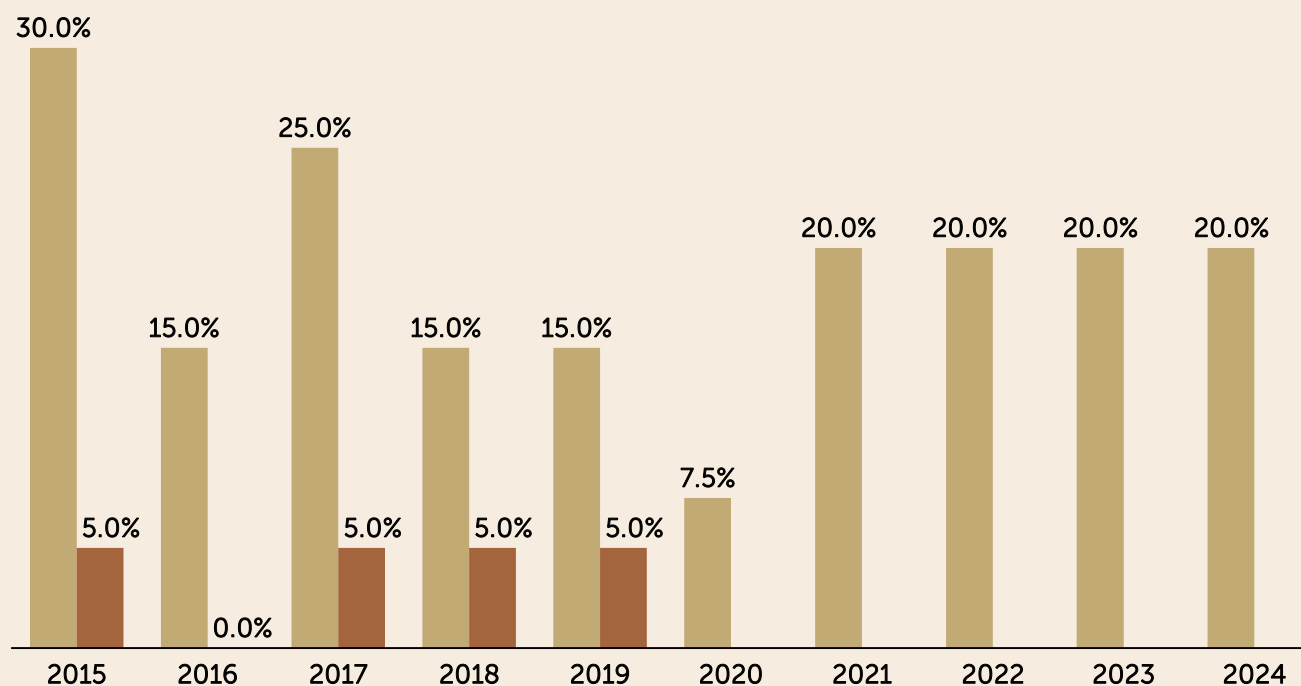
In-line with its dividend policy commitment, the Board proposed to distribute semi-annual cash dividend of 10 fils per share for second half of 2024 (AED 99.4million).

This follows a previously approved and distributed semi-annual cash dividend of 10 fils per share, representing AED 99.4m, for H1 2024.

For 2025-2027, the following Dividend policy is proposed which will be presented to shareholders for approval in next Annual General Meeting.

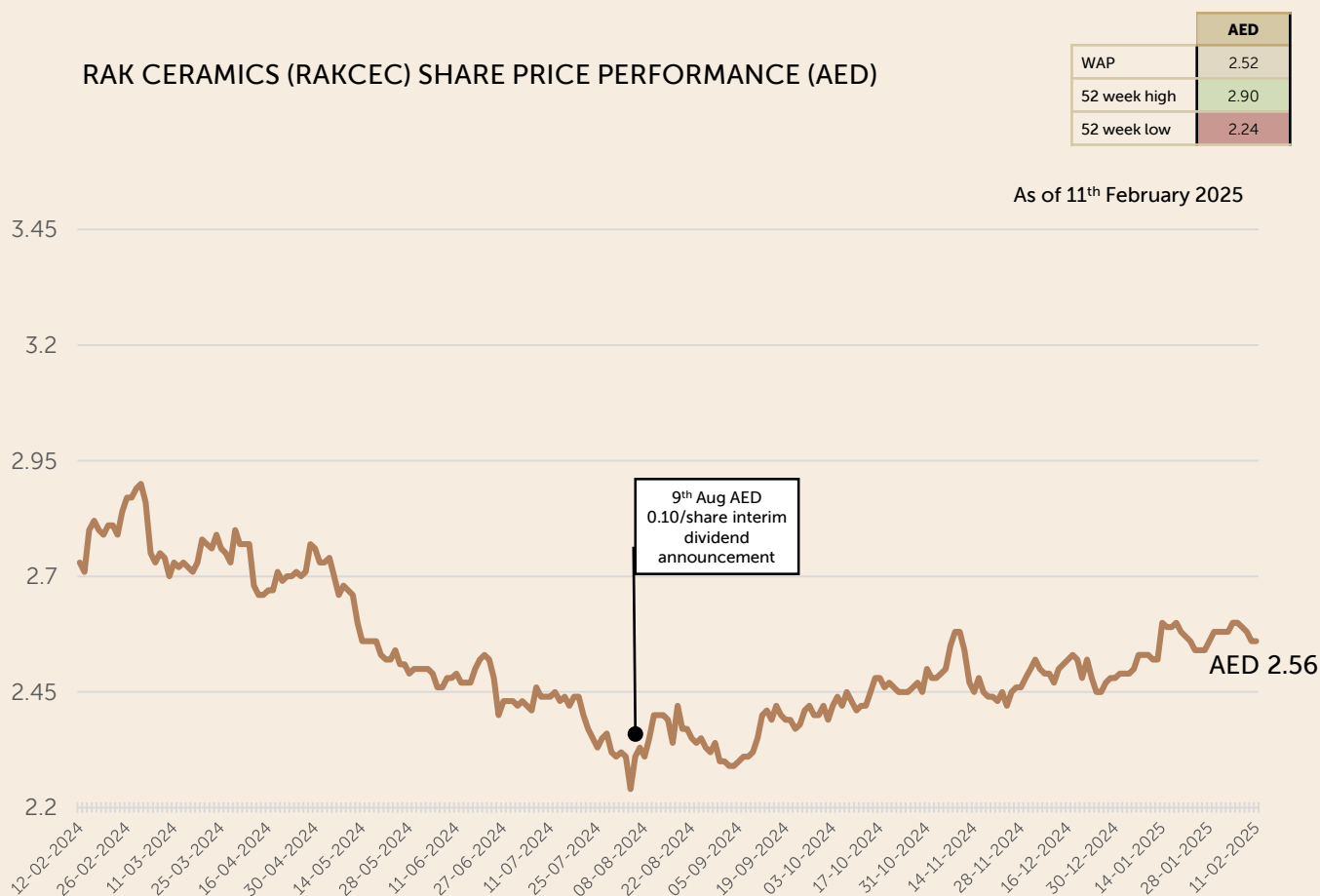
“RAK Ceramics is committed to returning capital to shareholders via a sustainable dividend policy, aiming at a minimum payout of 20 fils per share on a semi-annual basis for FY 2025 subject to consideration of factors such as business outlook, capital requirement for growth opportunities, expansion plans, optimal leverage levels and healthy cash reserves in addition to regulatory approvals. To further enhance the visibility to the shareholders, RAK Ceramics commits to pay a minimum dividend of 60 fils over the next 3 years (i.e. 2025 – 2027”.

## HISTORICAL ANNUAL DIVIDEND PAID (%)



# RAK Ceramics Share Price Movement

RAK CERAMICS (RAKCEC) SHARE PRICE PERFORMANCE (AED)



CURRENT VALUATION (AED M)

	11/2/2025	31/12/2023
	Amount	Amount
Share price	2.56	2.90
Number of shares (in Mn)	994	994
Market Cap	2,544	2,882
Net debt	1,394	1,421
Minorities	95	134
<b>Enterprise Value</b>	<b>4,033</b>	<b>4,438</b>

\*Net debt and minorities as of 31<sup>st</sup> December 2024

LTM TRADING MULTIPLES

	Multiple	
	11/2/2025	31/12/2023
EV / Sales	1.25	1.28
EV / EBITDA	6.81	6.85
P / E	11.51	9.9
P / B	1.14	1.27





# Closing Remarks

Speaker: Abdallah Massaad  
Group CEO



# 2025 Priorities



## Market share growth and preservation

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



## KLUDI Transformation

Continue implementing KLUDI turnaround plan including shift in production capabilities from EU to UAE to improve performance



## Retail Expansion & Brand awareness

Focus on strengthening retail presence & create Brand awareness in focus markets by opening new showrooms, 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

Adopt an agile operating model enabling digitization of business and back-office processes and enhancing data 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

# Q&A







# APPENDIX

# Financial Highlights

	Quarterly comparison					Yearly Comparison		
	Q4 23	Q3 24	Q4 24			2023	2024	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	866.4	802.5	<b>870.9</b>	0.5%	8.5%	3,457.8	<b>3,232.0</b>	-6.5%
Gross margin (%)	35.6%	41.2%	<b>37.2%</b>	1.6%	-4.0%	37.9%	<b>39.3%</b>	1.4%
EBITDA	165.9	146.2	<b>158.0</b>	-4.7%	8.1%	647.4	<b>592.2</b>	-8.5%
Profit before tax	88.4	60.8	<b>82.0</b>	-7.1%	34.8%	345.5	<b>276.6</b>	-19.9%
Profit after tax	81.8	55.9	<b>64.2</b>	-21.5%	14.8%	320.9	<b>234.1</b>	-27.0%
Capital expenditure	89.0	35.2	<b>50.8</b>	-42.9%	44.3%	273.4	<b>183.3</b>	-33.0%
Net debt	1420.4	1,568.4	<b>1,394.2</b>	-1.8%	-11.1%	1,420.4	<b>1,394.2</b>	-1.8%
Net debt / EBITDA	2.2x	2.61x	<b>2.35x</b>			2.2x	<b>2.35x</b>	-



# EBITDA Working

	Quarterly comparison			Yearly comparison	
	Q4 23	Q3 24	Q4 24	2023	2024
Amount in AED M	Amount	Amount	Amount	Amount	Amount
Net profit/(loss) after tax	81.8	55.9	64.2	320.9	234.1
Tax	6.6	4.9	17.8	24.6	42.6
Interest- net	27.5	29.7	26.1	106.8	110.8
Depreciation & amortization	49.6	53.2	54.2	195.0	207.8
(Gain) on sale of assets/CWIP write-off	0.4	2.4	(4.3)	0.1	(3.0)
<b>EBITDA</b>	<b>165.9</b>	<b>146.2</b>	<b>158.0</b>	<b>647.4</b>	<b>592.2</b>

# Thank You

## CONTACT US

If you have any questions or require further information, please do not hesitate to contact our investor relations department.

### Investor Relations

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