



RAK CERAMICS

EARNINGS PRESENTATION – Q2 & H1 2025
RESULTS
AUGUST 2025



Agenda

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Speakers

EARNINGS PRESENTATION Q2/H1 2025



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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A man in a dark suit and tie is seated on a modern, minimalist rooftop terrace. He is positioned on the left side of the frame, looking towards the camera. The terrace features a large, light-colored sofa and a low, round coffee table with a small potted plant and a white spherical object. The background is a panoramic view of a dense urban skyline with numerous skyscrapers under a clear sky. A semi-transparent dark blue banner is overlaid across the middle of the image, containing the title and speaker information.

Business Highlights

Speaker: Abdallah Massaad
Group CEO

Global Business Presence

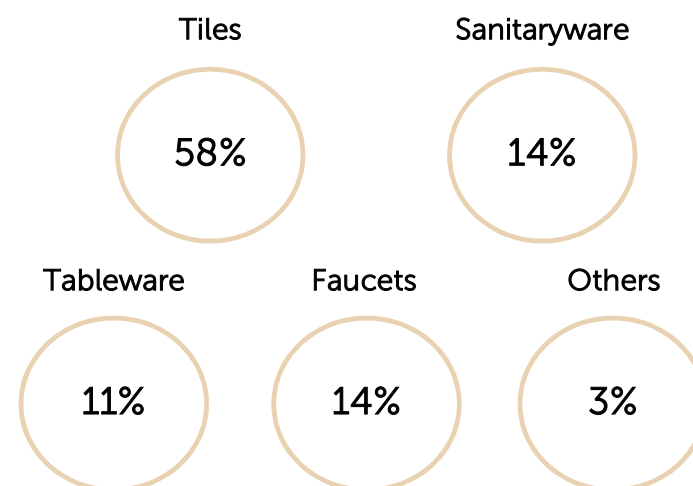
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Where we sell



What we sell (Revenue Mix)



Capacity

118^{MN}
Square metres of tiles

5^{MN}
Pieces of sanitaryware

36^{MN}
Pieces of tableware

2.6^{MN}
Pieces of faucets and taps

Q2 2025 Business Performance Highlight

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Segment Highlights

- Tiles revenue recorded growth in both volumes (+8.0%) and value (+10.2%) at AED 474.3 million, led by robust performance in the UAE, India, Bangladesh, and Europe (Germany) markets.
- Sanitaryware revenue recorded growth of 3.6% YoY to AED 121.4 million, supported by strong demand in the UAE.
- Tableware revenue declined by 7.9% YoY to AED 84.9 million, impacted by slower demand in US. However, UAE, Europe and African market have performed well driven by expansion of distributors.
- Faucets revenue grew by 11.7%, mainly driven by performance in Europe, KSA, and Africa, reaching AED 122.3 million. We are progressing towards our plan for cost optimisation by shifting major EU Faucets production facilities to UAE.

Tiles & Sanitaryware Market Highlights

- **UAE:** Registered a strong 25.2% YoY revenue growth, supported by sustained momentum in the real estate sector and favorable market dynamics.
- **KSA:** Revenue continues to face challenges due to liquidity crunch, intensified competition, and oversupply from local tile manufacturers leading to a 9.8% decline in Q2 2025. We are actively focusing on refining our strategy around project and retail segments, emphasizing premium and differentiated products to support both revenue and margin recovery.
- **Europe:** Revenue declined by 3.3% YoY particularly in the UK. Revenue remains under pressure due to stagnant growth, persistent inflation, and continued recessionary concerns
- **India:** Revenue increased by 2.8% YoY in local currency, supported by strong infrastructure development, reduced interest rates and growing disposable income. India's growth momentum highlights its potential as a key driver of future expansion in our portfolio.
- **Bangladesh:** Revenue grew by 15.6% YoY in local currency, indicating signs of market recovery.

Key Challenges – Q2 2025

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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"> In order to compete with Indian & Chinese entry level tiles, we are utilising a different brand to secure commercial projects that require cheaper tiles.
Saudi Arabia	Oversupply of tiles by local manufacturers, liquidity crunch has created price war in the market which is impacting gross margins, particularly in housing and commercial segments that are highly price - sensitive	<ul style="list-style-type: none"> Relief by the government by way of exemption from payment of custom duty on imports has allowed us to regain the market share lost in wholesale segment. Our focus on premium products, to strengthen our retail and projects business, is helping us to enhance our margins.
Europe	Demand in Europe, particularly in the UK, remains under pressure due to stagnant growth, persistent inflation, and recessionary fears Delay in transformation of Kludi Europe business	<ul style="list-style-type: none"> Planned initiatives include strengthening brand awareness and presence through events and engagements at the Design Hub with architects and designer community Continue implementing KLUDI turnaround plan including shift in production capabilities from EU to UAE to improve performance
India	Intense competition and currency devaluation	<ul style="list-style-type: none"> Plans to strengthen our Retail presence and experience We are working on a plan to introduce product offering from UAE
Bangladesh	Political instability, severe gas crisis, intense local competition and currency devaluation	<ul style="list-style-type: none"> We are working on offering competitive pricing strategies that consider local purchasing power and competitor pricing. Strengthening our distribution network through partnerships with local retailers and expanding direct-to-consumer channels

Key Strategic Updates -2025

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UAE

- Our Tiles Division is undergoing an upgrade with cutting-edge technology to manufacture differentiated, large-format tiles catering to high-end markets.
- 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

India

- We are enhancing our retail presence and elevating the in-store experience to better engage customers
- We are working on a plan to introduce product offering from UAE to improve revenue.

Bangladesh

- To mitigate the gas shortfall, we have partially substituted natural gas with CNG, allowing for continued production.
- We are focusing on establishing a robust distribution network to ensure reliable delivery of high-quality products, leveraging innovation to differentiate ourselves from competitors
- We are focusing on differentiating through high-quality products and innovative offerings, supported by customer loyalty programs, feedback mechanisms, and responsive service

KSA

- We continue to work towards setting up a production facility in KSA.
- New product development with competitive pricing, will support us in competing with local regional players in housing and commercial projects.
- Additionally, we are focusing on premium and differentiated product offerings to strengthen our retail and project channels, thereby enhancing margins



Q2 & H1 2025 Financial Performance Update

Speaker: PK Chand
Group CFO

Financial Snapshot – Q2 2025

EARNINGS PRESENTATION Q2/H1 2025

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REVENUE

AED 826.8M

↑ 6.4% YoY



GROSS MARGIN

40.6%

↑ 110 bps YoY



PROFIT BEFORE TAX

AED 86.7M

↑ 45.0% YoY



NET PROFIT AFTER TAX

AED 66.4M

↑ 30.1% YoY*

* UAE Corporate tax impact 17.2m vs 6.5m in last year



NET PROFIT
After Minority

AED 65.6M

↑ 30.4% YoY



EBITDA

AED 160.8M

↑ 17.5% YoY



NET DEBT

AED 1.56BN

↑ 121M QoQ
Due to higher capex & working capital



Net Debt to EBITDA

2.59x

2.49x in March 25

Financial Snapshot – H1 2025

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REVENUE

AED 1.60^{BN}

↑ 2.9% YoY

↑ 3.3% YoY on
Exchange rate of LY



GROSS MARGIN

40.2%

↑ 70 bps YoY



PROFIT BEFORE TAX

AED 151.2^M

↑ 13.1% YoY



NET PROFIT AFTER TAX

AED 115.2^M

↑ 1.2% YoY*

* UAE Corporate tax impact 30.4m vs
15.1m in last year



NET PROFIT
After Minority

AED 111.9^M

↑ 3.7% YoY



EBITDA

AED 296.4^M

↑ 2.9% YoY



NET DEBT

AED 1.56^{BN}

↑ 161.4M vs Dec 24
Due to higher capex & working capital



Net Debt to EBITDA

2.59x

2.35x in Dec 24

Revenue Highlights – Q2 2025

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MANAGEMENT COMMENTS

- Q2 2025 revenue is at AED 826.8m, higher by 6.4% year-on year.
- Tiles revenue grew by 10.2% at AED 474.3 million, led by robust performance in the UAE, India, Bangladesh, and Europe (Germany) markets.
- Sanitaryware revenue recorded growth of 3.6% YoY to AED 121.4 million, supported by strong demand in the UAE.
- Tableware revenue declined by 7.9% YoY to AED 84.9 million, impacted by slower demand in US. However, UAE, Europe and African market have performed well driven by expansion of distributors.
- Faucets revenue grew by 11.7%, mainly driven by performance in Europe, KSA, and Africa, reaching AED 122.3 million. We are progressing towards our plan for cost optimisation by shifting major EU Faucets production facilities to UAE.
- Other revenue decreased by 13.8% to AED 23.9m impacted by decrease in our Ceramic trading business.

TOTAL REVENUE (AED MN)

	Quarterly Comparison					Yearly Comparison		
	Q2 24	Q1 25	Q2 25			H1 2024	H1 2025	
	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	Growth
United Arab Emirates	192.2	210.5	242.9	26.4%	15.4%	393.7	453.5	15.2%
Kingdom of Saudi Arabia	61.6	69.1	54.5	-11.4%	-21.1%	127.8	123.6	-3.2%
Middle East (Ex. UAE & KSA)	28.2	32.1	37.6	33.4%	17.2%	54.5	69.7	28.0%
India	85.9	86.8	87.6	2.0%	0.9%	173.7	174.4	0.4%
Europe	92.9	77.0	90.0	-3.2%	16.8%	171.2	167.0	-2.4%
Bangladesh	44.7	43.7	48.9	9.4%	11.8%	103.5	92.6	-10.6%
Africa	26.5	21.5	23.6	-10.9%	9.6%	51.5	45.1	-12.5%
Rest of the world	15.8	13.6	10.6	-32.6%	-21.7%	28.4	24.2	-14.5%
Total Tiles & Sanitaryware Revenue	547.7	554.4	595.7	8.8%	7.5%	1,104.2	1,150.1	4.2%
Tableware revenue	92.2	85.9	84.9	-7.9%	-1.2%	182.1	170.8	-6.2%
Faucets revenue	109.5	111.7	122.3	11.7%	9.5%	226.1	234.0	3.5%
Others revenue	27.7	24.5	23.9	-13.8%	-2.7%	46.1	48.4	5.0%
Total Revenue	777.0	776.5	826.8	6.4%	6.5%	1,558.5	1,603.3	2.9%

Gross Profit Margin

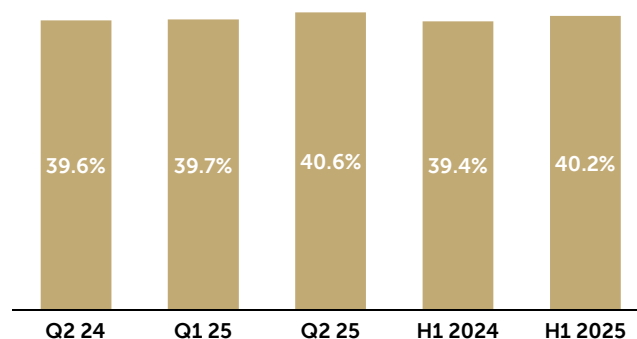
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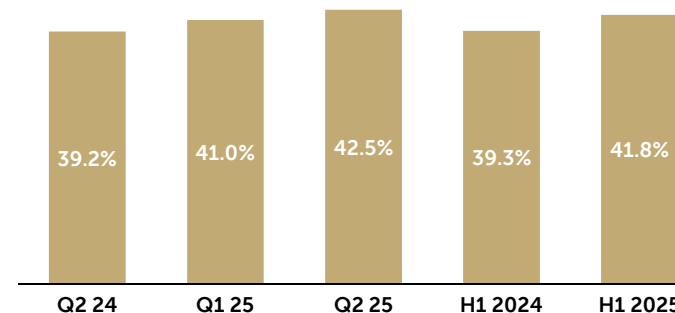
MANAGEMENT COMMENTS

- Q2 2025 Gross profit margin increased by 110bps year-on-year to 40.6% and 70bps year-on-year in H1 2025 at 40.2%.
- Tiles margin in Q2 2025 increased by 330bps compared to Q2 2024 at 42.5% driven by improvement in efficiencies and higher sales in UAE market.
- Sanitaryware margin in Q2 2025 decreased by 30bps year-on-year at 32.5% due to ongoing challenges in Bangladesh.
- Tableware margin in Q2 2025 improved by 380 bps year-on-year at 56.0%, supported by higher sales to the airline industry and premium hospitality projects.
- Faucets GP margin decreased by 640bps year on year at 27.0% in Q2 2025 due to lower margins in European market on account of transformation activities in Europe.

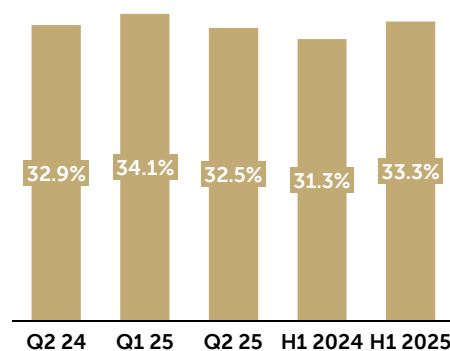
Total Gross Margin (%)



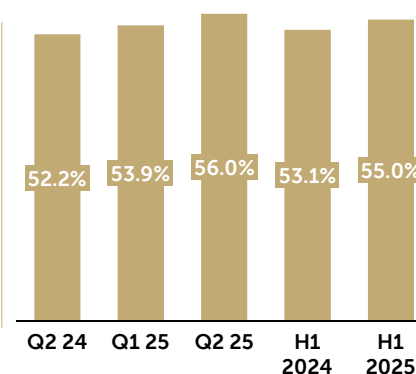
Tiles Gross Margin (%)



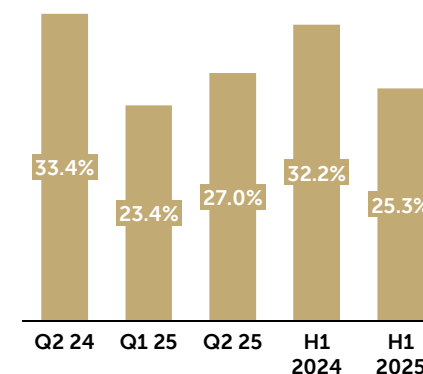
Sanitaryware Gross Margin (%)



Tableware Gross Margin (%)



Faucets Gross Margin (%)

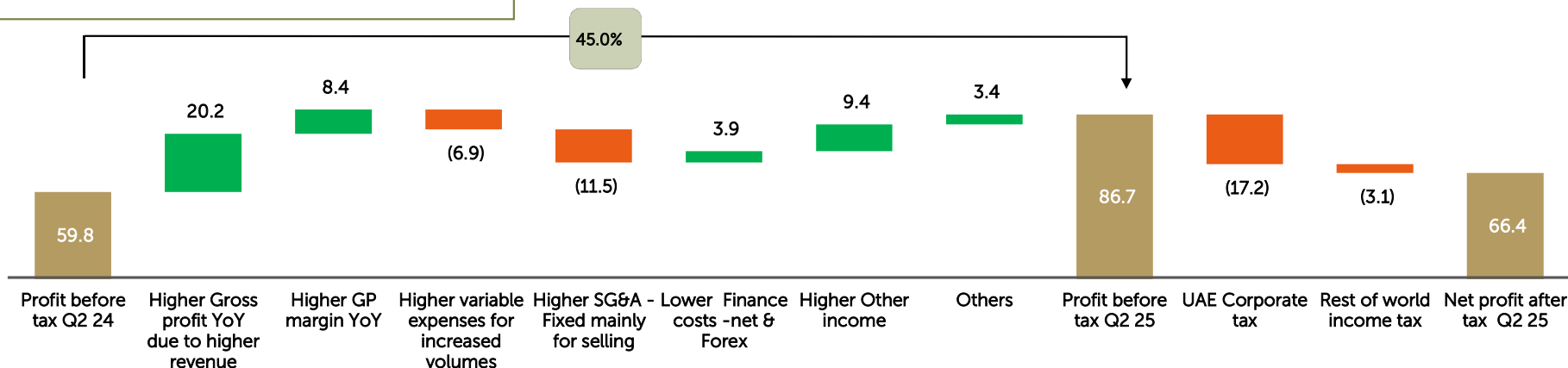


Profitability Bridge

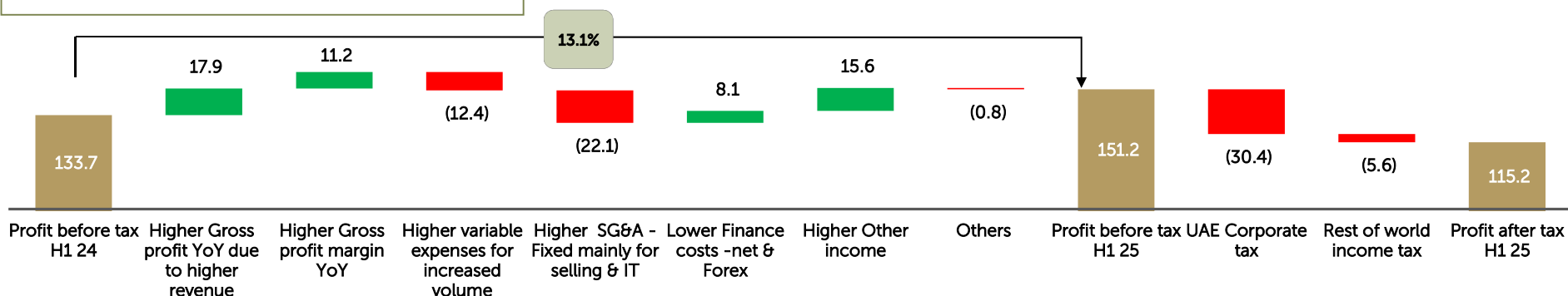
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Q2 2025 vs Q2 2024 Profit Bridge (AEDM)



H1 2025 vs H1 2024 Profit Bridge (AEDM)



Balance Sheet Highlights

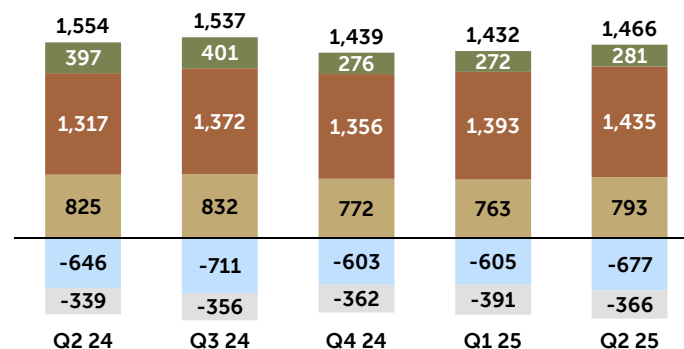
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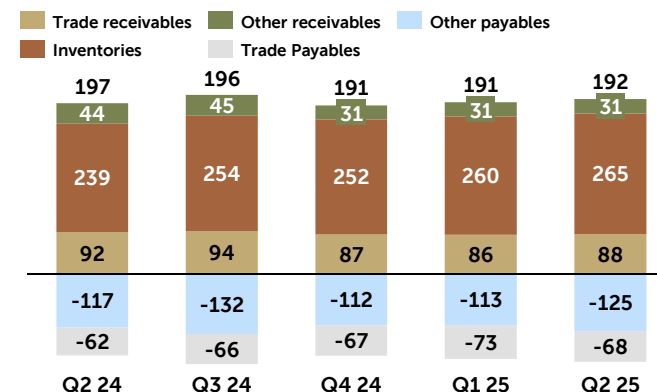
MANAGEMENT COMMENTS

- Overall working capital increased by AED 34m at AED 1.47 billion in Q2 2025 compared to March 2025.
- Trade receivables increased from 86 days in Q1 2025 to 88 days in Q2 2025 due to Eid holidays.
- Inventory days increased from 260 days to 265 days QoQ due to increase in Finished goods stock.
- Trade payable decreased from 73 days in Q1 2025 to 68 days in Q2 2025 mainly due to Capex payments.
- Net debt increased by AED 120.6m at 1.56 billion compared to March 2025 due to higher capex and working capital. Net debt to EBITDA also increased from 2.49x March 2025 to 2.59x in June 2025.
- Capex Spending was AED 156.1 million in H1 2025 out of which ~ 102 million relates to upgradation of large-format tiles manufacturing plants. Capex guidance for 2025 is revised at AED 300-350 million.

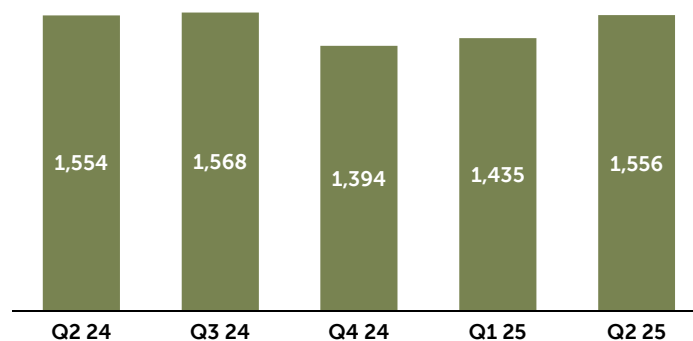
WORKING CAPITAL CYCLE (DAYS)



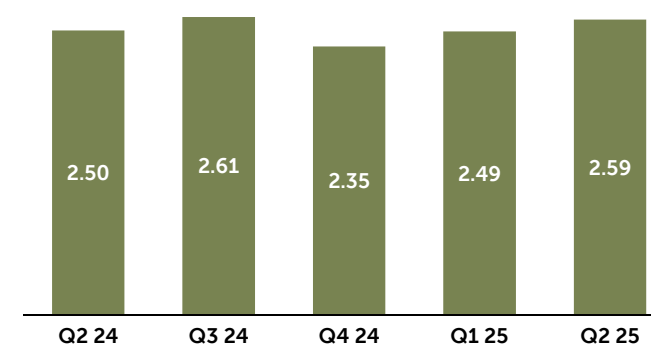
WORKING CAPITAL (DAYS)



NET DEBT (AED MN)



NET DEBT TO EBITDA (X)





Share Price Update

Speaker: PK Chand
Group CFO

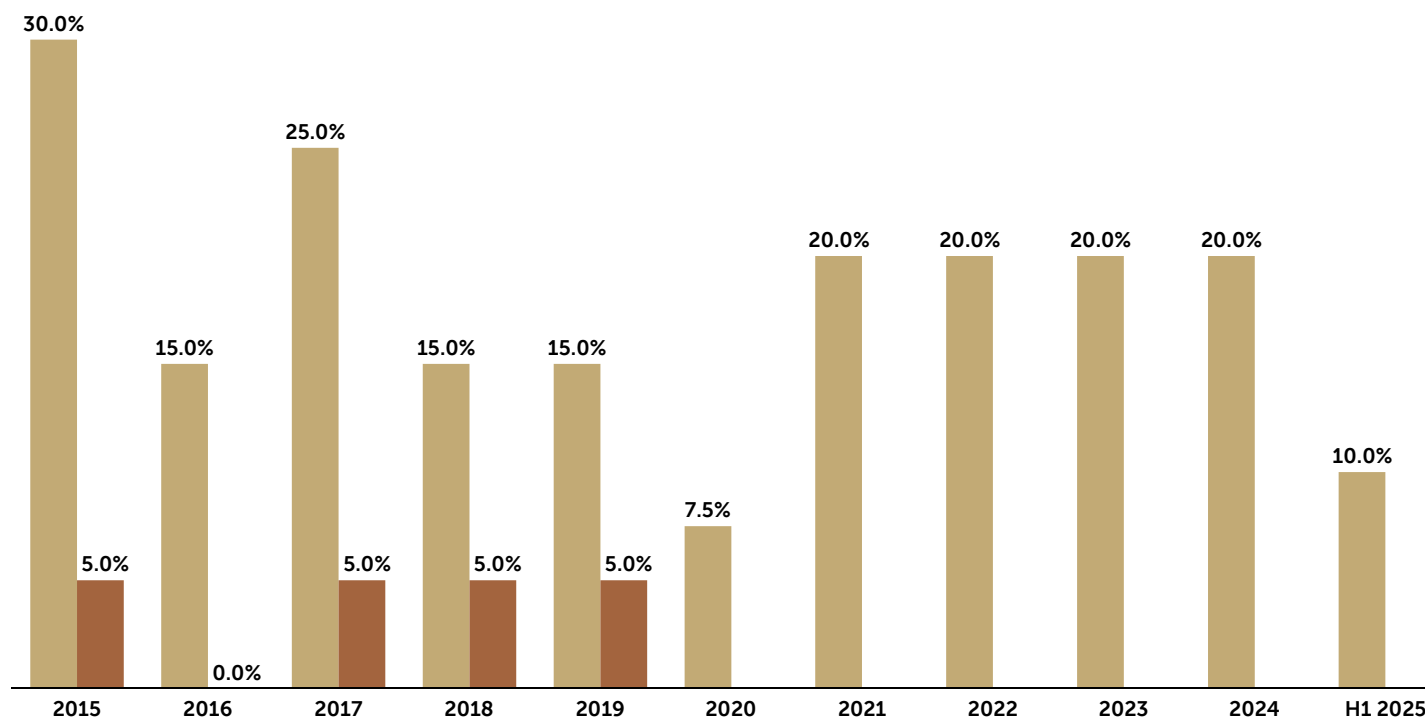
Dividend Update

Management comments

In-line with its dividend policy commitment, the Board proposed to distribute interim cash dividend of 10 fils per share for first half of 2025 (AED 99.4million).

For 2025-2027, the following Dividend policy was approved in Annual General Meeting in March 2025.

"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".



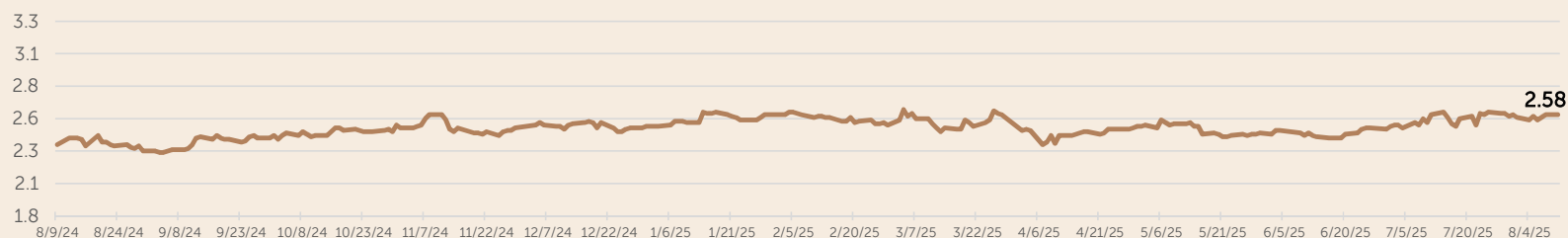
RAK Ceramics Share Price Movement

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

RAK CERAMICS (RAKCEC) SHARE PRICE PERFORMANCE (AED)



	AED
WAP	2.48
52 week high	2.62
52 week low	2.29

As of 12th Aug 2025

CURRENT VALUATION (AED M)

	12/8/2025	31/12/2024
	Amount	Amount
Share price	2.58	2.49
Number of shares (in Mn)	994	994
Market Cap	2,564	2,475
Net debt	1,556	1,394
Minorities	85	95
Enterprise Value	4,204	3,965

*Net debt and minorities as of 30th June 2025

LTM TRADING MULTIPLES

	Multiple	
	12/8/2025	31/12/2024
EV / Sales	1.28	1.23
EV / EBITDA	7.00	6.69
P / E	11.39	11.51
P / B	1.16	1.14

~ AED 2.6 Bn

Market Cap (~)



Closing Remarks

Speaker: Abdallah Massaad
Group CEO

2025 Priorities

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Market share growth and preservation

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



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



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



Business, Operations & Risk management

Optimize operations enhancing efficiencies and mitigate actively rising risks improving bottom-line performance across all subsidiaries



Digital Acceleration

Improve operating model practicing agility and digitization to enable enhanced 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

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A modern interior design featuring large, light-colored marble tiles with brown veining on the walls and floor. The space includes several small, round, dark-colored tables and green, textured poufs. A dark, curved sofa is visible on the left. The ceiling has three pendant lights. A dark, curved wall with a small plant and a shelf with bottles is on the right. A semi-transparent dark blue banner with the word "APPENDIX" in white capital letters is centered across the middle of the image.

APPENDIX

Financial Highlights

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	Quarterly comparison					Yearly Comparison		
	Q2 24	Q1 25	Q2 25			H1 2024	H1 2025	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	777.0	776.5	826.8	6.4%	6.5%	1,558.7	1,603.3	2.9%
Gross margin (%)	39.6%	39.7%	40.6%	1.1%	1.0%	39.4%	40.2%	0.7%
EBITDA	136.9	135.6	160.8	17.5%	18.7%	288.0	296.4	2.9%
Profit before tax	59.8	64.5	86.7	45.0%	34.3%	133.7	151.2	13.1%
Profit after tax	51.0	48.9	* 66.4	30.1%	35.8%	113.9	115.2	1.2%
Capital expenditure	62.1	96.6	59.6	-4.0%	-38.2%	97.3	156.2	60.5%
Net debt	1554.3	1,435.0	1,555.6	0.1%	8.4%	1,554.3	1,555.6	0.1%
Net debt / EBITDA	2.50x	2.49x	2.59x			2.50x	2.59x	-

*UAE Corporate tax impact AED 30.4m vs 15.1 m in last year

EBITDA Working

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	Quarterly comparison			Yearly comparison	
	Q2 24	Q1 25	Q2 25	H1 2024	H1 2025
Amount in AED M	Amount	Amount	Amount	Amount	Amount
Net profit/(loss) after tax	51.0	48.9	66.4	113.9	115.2
Tax	8.8	15.7	20.3	19.8	36.0
Interest- net	27.9	23.0	23.7	55.0	46.8
Depreciation & amortization	49.8	51.9	53.8	100.4	105.7
(Gain) on sale of assets/CWIP write-off	(0.6)	(3.9)	(3.4)	(1.2)	(7.2)
EBITDA	136.9	135.6	160.8	288.0	296.4

Thank You

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CONTACT US

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