

RAK

CERAMICS



Q3 Earnings Release

RAK Ceramics Announces Q3 and 9M 2025 Financial Results

- **Group revenue:** Increased by 2.8% year-on-year (YoY) to AED 824.9 million in Q3 2025, primarily due to robust demand in the UAE which contributed top-line growth.
- **Gross profit margin:** Declined marginally by 70bps YoY to 40.5% in Q3 2025, down from 41.2% in Q3 2024.
- **EBITDA performance:** EBITDA improved by 14.7% YoY in Q3 2025, to AED 167.7 million from AED 146.2 million in Q3 2024. 9M 2025 EBITDA increased by 6.9% YoY to AED 464.1 million.
- **Profit before tax:** Increased by 42.4% YoY to AED 86.6 million, compared to AED 60.8 million in Q3 2024. 9M 2025 Profit before tax increased 22.2% YoY to AED 237.8 million.
- **Financial health:** Net debt increased by 4.5% to reach AED 1.64 billion in Q3 2025, compared to AED 1.57 billion in Q3 2024, primarily driven by increased capital expenditure and working capital requirements.

Ras Al Khaimah, United Arab Emirates, 13th November 2025: RAK Ceramics PJSC (Ticker: RAKCEC: Abu Dhabi), one of the largest ceramics and porcelain lifestyle solutions provider in the world, today announced its financial results for the third quarter ended 30 September 2025.

Financial Highlights

Our financial performance in Q3 has been strong, demonstrating the resilience of the business in the face of a tough macro-economic environment. Total revenue increased by 2.8% YoY to AED 824.9 million in Q3 and by 2.8% YoY to AED 2.43 billion in 9M 2025 as a result of continued strong demand from the UAE and Middle East.

EBITDA increased by 14.7% to AED 167.7 million in Q3 2025 compared to AED 146.2 million in the same period last year and by 6.9% YoY to AED 464.1 million in 9M 2025. EBITDA margins have increased by 2.1% to 20.3% in Q3 2025 up from 18.2% in Q3 2024.

Profit before tax increased by 42.4% YoY to AED 86.6 million, compared to AED 60.8 million in Q3 2024.

Net profit after tax increased by 20.7% YoY to AED 67.5 million, compared to AED 55.9 million in Q3 2024. In 9M 2025, net profit after tax was recorded at AED 182.7 million, compared to AED 169.9 million in 9M 2024. UAE Corporate tax was AED 17.3 million in Q3 2025, up from AED 9.0 million in Q3 2024 on account of introduction of Domestic Top-up tax effective 1st January 2025.

Net debt increased by 4.5% to AED 1.64 billion from AED 1.57 billion in Q3 2024, primarily driven by increased capital expenditure and working capital requirements.

Q3 2025

Total Revenue

AED 824.9 M
+2.8% YoY

Gross Margin

40.5%

-70 bps YoY

EBITDA

AED 167.7 M
+14.7% YoY

Profit before tax

AED 86.6 M
+42.4% YoY

Net Profit after tax

AED 67.5 M

+20.7 % YoY

(UAE Corporate Tax 17.3m vs 9.0m)

Financial highlights

Amount in AED M	Quarterly comparison					Yearly Comparison		
	Q3 24	Q2 25	Q3 25			9M 2024	9M 2025	
	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	802.5	826.8	824.9	2.8%	-0.2%	2,361.2	2,428.2	2.8%
Gross margin (%)	41.2%	40.6%	40.5%	-0.7%	-0.1%	40.0%	40.3%	0.2%
EBITDA	146.2	160.8	167.7	14.7%	4.2%	434.2	464.1	6.9%
Profit before tax	60.8	86.7	86.6	42.4%	-0.1%	194.6	237.8	22.2%
Profit after tax	55.9	66.4	67.5	20.7%	1.7%	169.9	182.7	7.6%
Capital expenditure	35.2	59.6	59.4	68.7%	-0.4%	132.5	215.6	62.7%
Net debt	1568.4	1,555.6	1,638.3	4.5%	5.3%	1,568.4	1,638.3	4.5%
Net debt / EBITDA	2.61x	2.59x	2.63x			2.61x	2.63x	-

Segmental performance highlights

- **Tiles** revenue continued to grow in Q3, up 2.5% year-on-year to AED 479.7 million, led by strong demand in the UAE, India, Bangladesh, Europe (Germany) and Africa with an increasing contribution from high-margin projects supported by a focus on premium positioning.
- **Sanitaryware** revenue increased by 5.3% to AED 123.8 million, driven by strong demand in the UAE. Revenue growth was primarily driven by an improved ASP, owing to a favorable product mix shift. Gross margins improved by 280 bps to 36.6% supported by improved operational efficiencies and higher sales in the UAE.
- **Tableware** division reported a modest decline in revenue of 0.6% to AED 84.8 million for Q3 2025. Despite the revenue decline, gross profit margin improved by 130 bps, supported by higher sales to the airline industry and premium hospitality projects.
- **Faucets** revenue continued to grow by 8.8% to AED 118.3 million in Q3 2025, mainly driven by performance in UAE, Europe and Asia.

Tiles & Sanitaryware market highlights

- **UAE:** Continued to deliver strong revenue growth, reporting an increase of 6.7% to AED 236.9 million in Q3 2025 from AED 222.0 million primarily driven by the Tiles and Sanitaryware segments and supported by sustained momentum in the real estate sector.
- **Saudi Arabia:** Registered a decline in revenue of 24.7% in Q3 2025 to AED 51.9 million from AED 69.0 million in Q3 2024. The KSA market continues to face challenges owing to a decline in liquidity, intensified competition, and oversupply from local tile manufacturers. Despite the top line pressure, gross profit margin improved by 240 bps, driven by a favorable product mix.

- **Europe:** Revenue has remained under pressure attributed to tough macroeconomic conditions, including stagnant growth, persistent inflation and continued recessionary concerns. In Q3 2025, revenue in Europe declined by 4.9% to AED 85.2 million from AED 89.6 million in Q3 2024, driven by weak demand in the UK and Italy. Revenue in Italy fell by 17.4% (in local currency), and in the UK by 19.1% (in local currency). In contrast, Germany posted a revenue increase of 14.9% (in local currency), driven by stronger market traction.
- **India:** India registered a modest revenue decline of 4.9% (1.4% in local currency) to AED 85.2 million in Q3 2025, as the market continues to demonstrate resilience, supported by infrastructure development, a recent reduction in interest rates, and rising disposable income.
- **Bangladesh:** Revenue grew by 52.2% to AED 61.9 million in Q3 2025, reflecting a normalization of revenue levels which were impacted severely from the political crisis in Q3 2024. The Company has taken initiatives to regain our lost market share by offering new products, implementing competitive pricing strategies and strengthening distribution channels. Gross margins have also increased by 5.1% supported by restoration of the gas supply.
- **Middle East:** In Q3 2025, revenue fell by 8.5% YoY to AED 30.1m mainly due to lower business demand in Bahrain, Qatar and Oman. However, in 9M 2025 it grew by 14.3% YoY to AED 99.9 million.

Commenting on the results, Abdallah Massaad, Group CEO, RAK Ceramics said:

"I am pleased to share that Q3 2025 delivered a strong performance and demonstrated the resilience of our business. Our core markets continue to perform strongly, particularly in the UAE which was supported by robust real estate and construction activity.

The market in Saudi Arabia remains challenging as a result of ongoing liquidity constraints and intensified competition and we are currently evaluating corrective actions, including process improvements and competitive repositioning strategies to regain momentum. The Indian market has shown resilience despite global headwinds, and we continue to implement turnaround strategies to achieve sustained profitability. In Bangladesh, we are seeing steady recovery and have taken initiatives to regain our lost market share.

We remain committed to further improving our operational performance across all regions and are progressing with our cost-optimization strategy, including relocating key EU production facilities for our faucets business to the UAE.

Looking forward, we're continuing to innovate our operations and accelerate initiatives that will strengthen our position in the market and continue to drive profitability across all divisions."

Strategic Highlights

Upgradation projects

- Developing state-of-the-art slab production facilities in the UAE, with one facility having commenced commercial production in July 2025 and another currently under development and expected to begin commercial production by February 2026.
- In the process of upgrading the Sanitaryware facility in the UAE with energy-efficient technologies and enhanced product portfolio.

Greenfield projects

- In KSA, we are making steady progress on the Greenfield Project in Yanbu, with expected completion by Q1 2027.

Acquisition

- In October 2025, RAK Porcelain Group announced a strategic acquisition of Bankook Design Chambre S.L., the owner of the Cookplay brand, expanding its premium tableware portfolio and strengthening its presence in the European market.

Design Excellence Spotlight

- In September 2025, RAK Ceramics showcased its latest innovations at Cersaie 2025 in Bologna, Italy - one of the world's leading ceramic exhibitions.

About RAK Ceramics

RAK Ceramics is one of the largest ceramics brands in the world. Specializing in ceramic and grès porcelain wall and floor tiles, tableware, sanitaryware and faucets, the Company has the capacity to produce 118 million square meters of tiles, 5.0 million pieces of sanitaryware, 36 million pieces of porcelain tableware and 2.6 million pieces of faucets per year at its 24 state-of-the-art plants across the United Arab Emirates, India, Bangladesh and Europe.

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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