

**Investor Presentation, FY 2016**

- Publicly traded since **2006** with a **40%** free float and rest owned by **Arafa Family**
- Stock is denominated in **USD**
- 3** target segments: luxury, formal and casual
- 3** operational activities: textiles, apparel & tailoring, retail & distribution
- +10%** of Egypt's total garment exports
- +13,000** employees

- Manufacturing **home for luxury garments**
- In March 2012 inaugurated **Camegit** a 50:50 JV with "Ermenegildo Zegna" in Egypt
- Homegrown luxury brand "CONCRETE"** with +40 retail stores across Egypt
- 15%** of the UK suits market

Offering customers **World-Class Quality and Global Competitiveness** for more than 100 years

## Brands:

**CONCRETE**  
EST. 1989



**G Tex**  
GOLDENTEX WOOL CO.



ALEXANDRE  
OF ENGLAND

**Gibson**  
LONDON

**RACING GREEN**  
BRITISH STYLE

## Clients:

PAL ZILERI

THE ORIGINAL  
**Ben Sherman**

  
GIORGIO ARMANI

Massimo Dutti

MOSCHINO 

JASPER CONRAN

**ZARA**

DEBENHAMS

**GAP**

  
JEFF BANKS  
LONDON

BANANA REPUBLIC

the magic of  
**macy's**

  
CERRUTI 1881

**Ermenegildo Zegna**

Within each of the three key segments, operations are further vertically integrated across the 3 main activities: Textiles, Apparel & Tailoring and Retail & Distribution

The Vertical Integration of the 3 Business Activities provides a buffer against market swings



## Proximity to End Markets

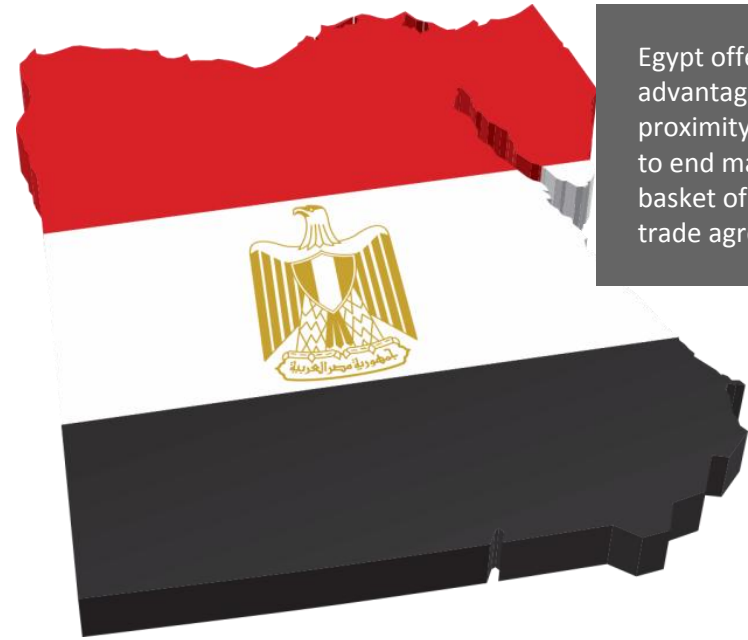
- Egypt's location allows a **competitive lead time** on shipments and relatively **low transportation costs**
- Close proximity to end markets enables Arafa Holding to **respond quickly** to seasonal shifts in demand and changes in consumer tastes

## Low Cost Environment

- Egypt offers a **sizeable young labor force**, with over 50% of the population under the age of 30, at a **relatively low cost** compared to other emerging markets that operate in the labor-intensive Apparel & Tailoring segment
- Costs of inputs for **infrastructure** and **utilities** are among the least expensive in the region

## Preferential Trade Agreements

- A number of preferential trade agreements — including agreements with the United States, the European Union, COMESA, Turkey and the GCC countries — position Egypt as a **prominent hub for export-oriented companies**



Egypt offers advantages including proximity & low-cost to end markets and a basket of beneficial trade agreements

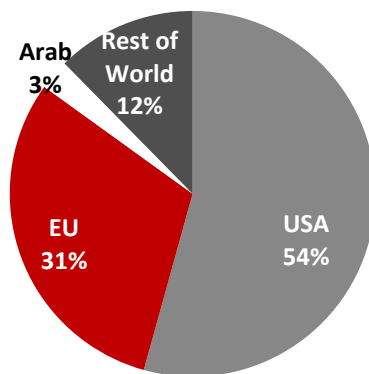
## Gov't Incentive Programs

- The government maintains the **long encouraged export activity**, a policy management anticipates will continue
- Egypt's free zones offer **tax incentives to export-oriented manufacturers**; Arafa's manufacturing facilities in free zone areas allow it to benefit from these incentives.

- RMG sector is the key player within the textile & apparel sector with the **majority privately owned**.
- **RMG** exports recorded **USD 1.2 million in 2016** representing **6.1%** of Egypt's non-oil exports.
- Main export regions include **US & Europe**, which contributed **54% & 31%** respectively during **2015**.
- Sector benefits from government support due to being a labor intensive sector and a source for foreign currency inflows.

RMG Sector Contribution (USD)	2012	2013	2014	2015	2016
<b>RMG Exports</b>	1,429	1,430	1,431	1,358	1,240
<b>Total Non-oil Exports</b>	22,856	22,090	22,267	18,726	20,203
Sector Contribution (%)	6.3%	6.5%	6.4%	7.3%	6.1%

**Regional Breakdown of RMG Exports, 2016**



Source: RMGEC Reports,

Income Statement (USD 000's)	FY 2014	FY 2015	FY 2016
<b>Net Revenues</b>	<b>266,001</b>	<b>269,920</b>	<b>240,878</b>
<i>% change</i>	<i>3.1%</i>	<i>1.5%</i>	<i>(10,8%)</i>
Gross Profit	91,164	91,886	82,926
<i>Gross Profit Margin</i>	<i>34.3%</i>	<i>34.0%</i>	<i>34.4%</i>
<b>Net Profit After Tax</b>	<b>12,408</b>	<b>12,452</b>	<b>7,803</b>
<i>Net Profit Margin</i>	<i>4.7%</i>	<i>4.6%</i>	<i>3.2%</i>

Balance Sheet (USD 000's)	FY 2014	FY 2015	FY 2016
Cash & Marketable Securities	38,606	33,027	34,016
Net Receivables	50,778	53,457	49,335
Inventory	115,925	109,093	93,949
Fixed Assets	71,372	67,056	51,643
<b>Total Assets</b>	<b><u>472,798</u></b>	<b><u>463,506</u></b>	<b><u>394,512</u></b>
<b>Total Liabilities</b>	<b>263,284</b>	<b>257,046</b>	230,812
<b>Total Shareholder's Equity</b>	<b>209,514</b>	<b>206,460</b>	163,700
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b><u>472,798</u></b>	<b><u>463,506</u></b>	<b><u>394,512</u></b>

## FY 2016

- Arafa Holding reported **Consolidated Net Revenues** of USD 240.9 million during FY 2016 compared to USD 269.9 million last year. Sales were affected with series of political and economic events witnessed during FY 2016/2017, in addition to the influence of FX translation on the results of local companies due to EGP floatation during Q4 2016.
- **Net Profit after Tax** reported USD 7.8 million during FY 2016 compared to USD 12.5 million during last year.

3 Markets, 3 Activities,  
a Fully Integrated  
business model

**THANK YOU!**

**For further inquiries please contact:**

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