



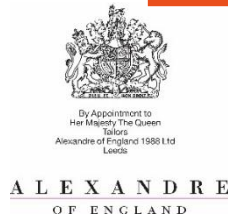
Investor Presentation, FY 2017

- 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



Gibson LONDON **RACING GREEN**
BRITISH STYLE

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Massimo Dutti

THE ORIGINAL
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ZARA



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JASPER CONRAN
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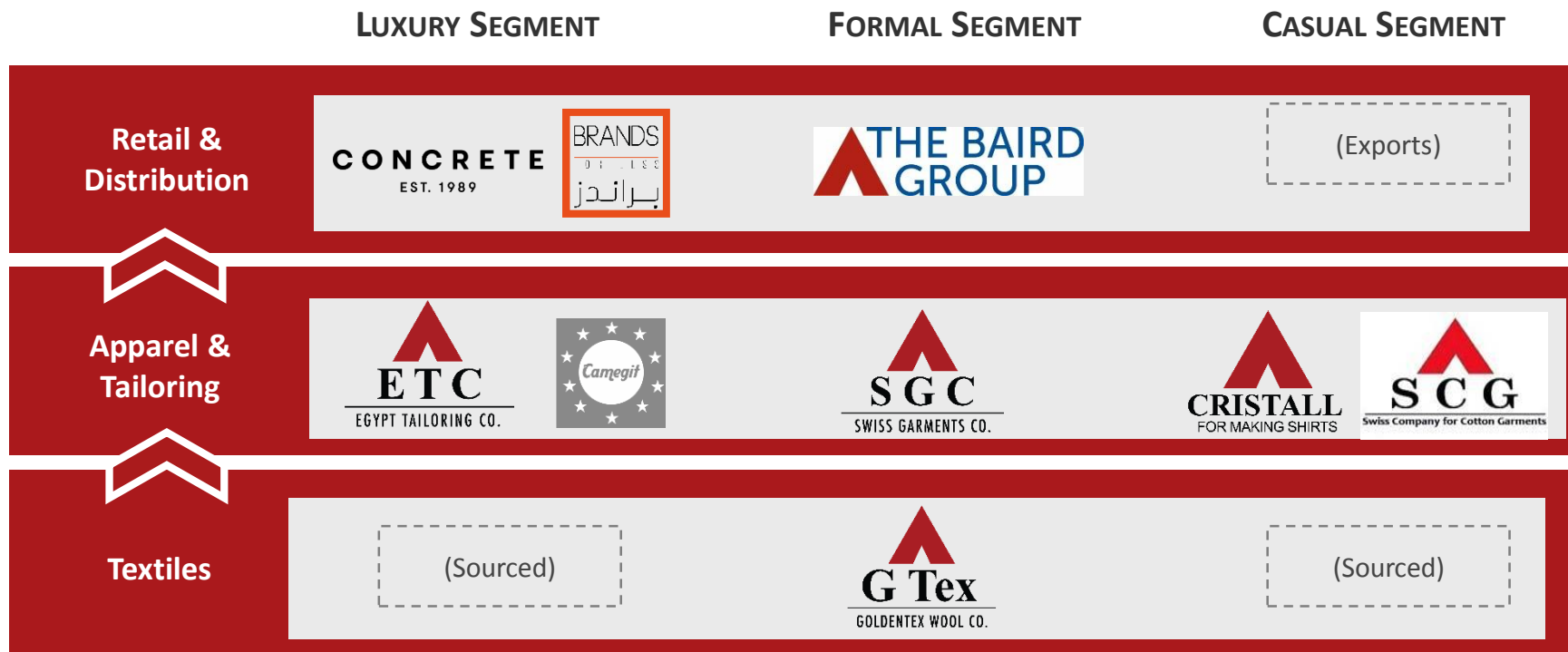
MANGO

Brooks Brothers

GHERARDI s.r.l. 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



Baird Group (UK & EU)

- 235 stores in UK
- 15% market share of formal menswear in UK market
- Exclusive concessionaire for menswear in Debenhams
- Standalone shops & department stores
- Online business 17% of turnover
- Turnover GBP 110 million in FY 2017

Concrete (Egypt)

- 40 stores in Egypt
- Homegrown luxurious brand in Egypt inspired by Italian designs and materials
- 20% market share of regulated market
- Offering Made to Measure service with exclusive Italian fabrics
- Turnover EGP 450 million in FY 2017

Euromed (Egypt)

- 16 stores in Egypt
- Homegrown middle segment specialty store & wholesale business in Egypt
- Turnover EGP 90 million in FY 2017



By Appointment to
Her Majesty The Queen
Tailors
Alexandre of England 1988 Ltd
Leeds

ALEXANDRE
OF ENGLAND

RACING GREEN
BRITISH STYLE

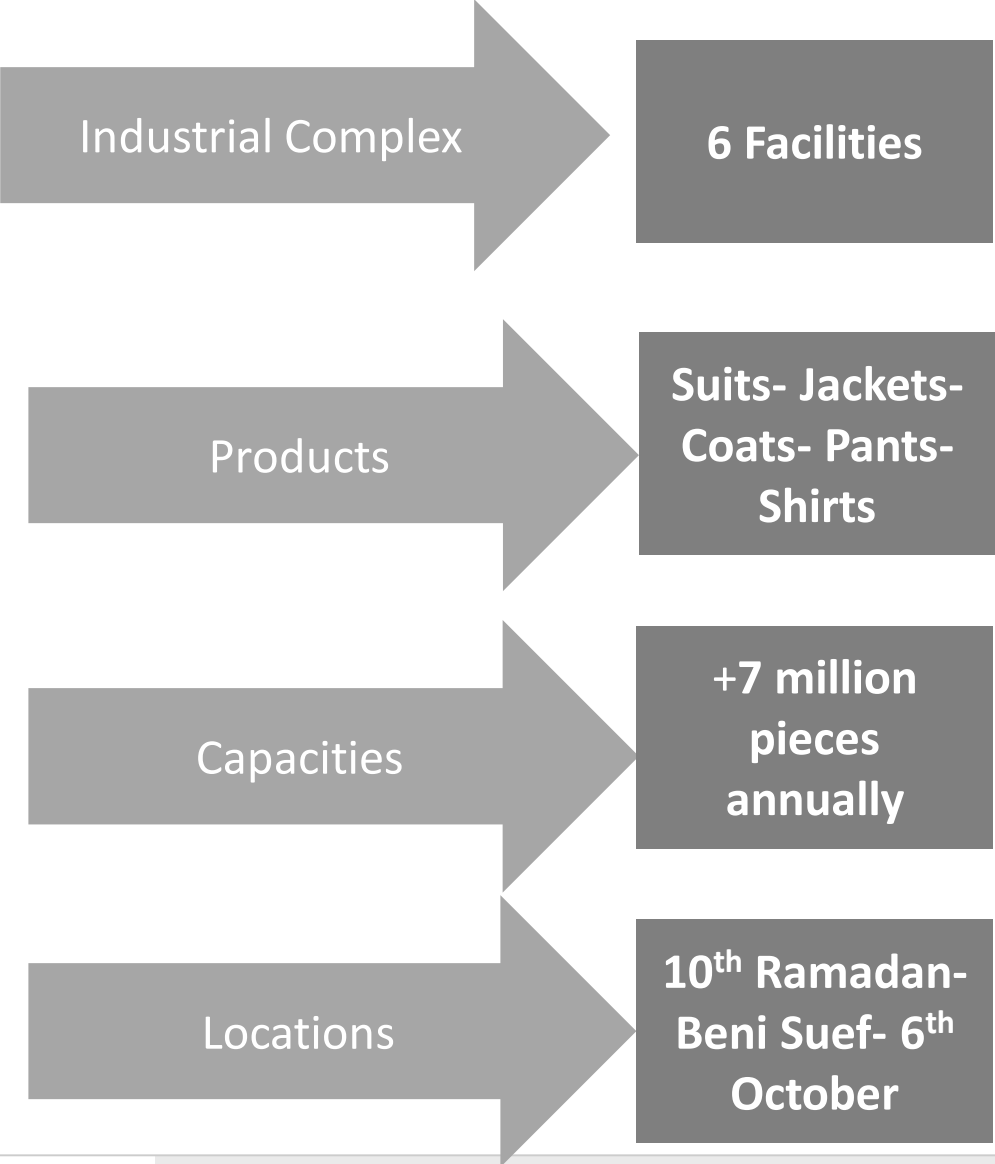
suit DIRECT

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Our Facilities



Proximity to End Markets

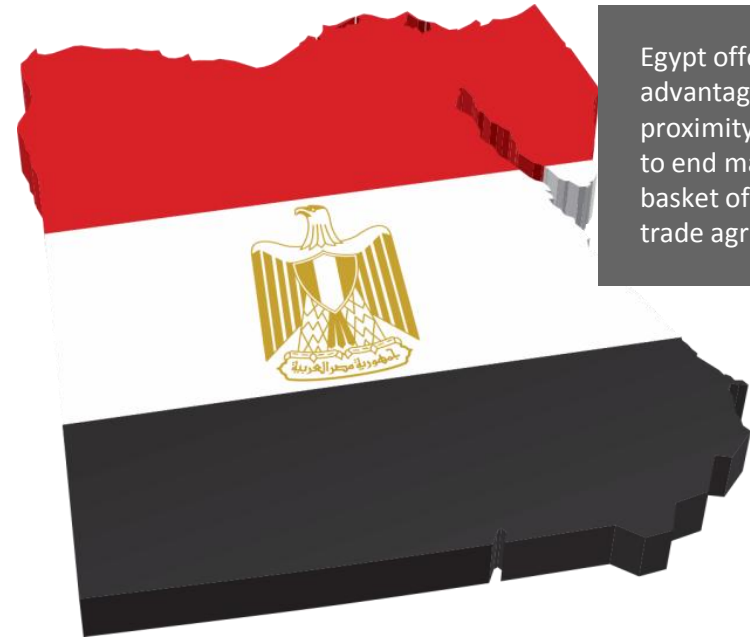
- Egypt's location allows a **competitive lead time** on shipments and relatively **low transportation costs**
- Close proximity to end markets enables Arafa Holding to **respond quickly** to seasonal shifts in demand and changes in consumer tastes

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

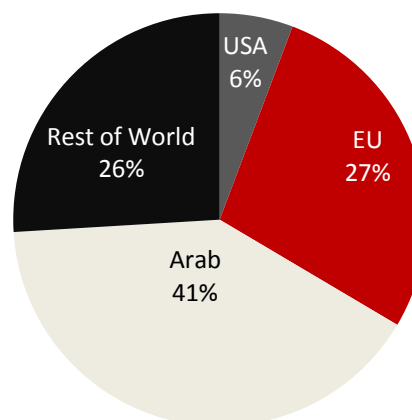
Gov't Incentive Programs

- 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 1.4 million in 2017** representing **6.4%** of Egypt's non-oil exports.
- Main export regions include **Arab region & Europe**, which contributed **41% & 27%** respectively in **Dec 2017**.
- Sector benefits from government support due to being a labor intensive sector and a source for foreign currency inflows.

RMG Sector Contribution (USD)	2013	2014	2015	2016	2017
RMG Exports	1,430	1,431	1,386	1,274	1,442
Total Non-oil Exports	22,083	22,253	18,675	20,409	22,417
Sector Contribution (%)	6.5%	6.4%	7.4%	6.2%	6.4%

Regional Breakdown of RMG Exports, December 2017



Source: RMGEC Reports,

Income Statement (USD 000's)	FY 2015	FY 2016	FY 2017
Net Revenues	269,920	240,878	239,937
% change	1.5%	(10,8%)	(0.4%)
Gross Profit	91,886	82,926	91,101
Gross Profit Margin	34.0%	34.4%	38.0%
EBITDA	28,236	14,809	23,891
EBITDA Margin	10.5%	6.1%	10.0%
Operating Profits (EBIT)	21,256	8,135	18,169
EBIT Margin	7.9%	3.4%	7.6%
Net Profit After Tax	12,452	7,803	7,037
Net Profit Margin	4.6%	3.2%	2.9%

Balance Sheet (USD 000's)	FY 2015	FY 2016	FY 2017
Cash & Marketable Securities	33,027	34,016	39,932
Net Receivables	53,457	49,335	57,683
Inventory	109,093	93,949	107,221
Fixed Assets	67,056	51,643	53,510
Total Assets	<u>463,506</u>	<u>394,512</u>	<u>440,479</u>
Total Liabilities	257,046	230,812	272,670
Total Shareholder's Equity	206,460	163,700	167,809
Total Liabilities & Shareholder's Equity	<u>463,506</u>	<u>394,512</u>	<u>440,479</u>

FY 2017

- Arafa Holding reported **Consolidated Net Revenues** of USD 240.0 million during FY 2017 compared to USD 240.9 million despite sales of companies operating in Egyptian market were negatively affected after financial statements translation ,in addition to contraction of local retail markets and continuous slowdown in the UK market since Brexit Voting.
- Arafa Holding recorded **Operating profits** of USD 18.2 million in FY 2017, with profit margin of 6.7% compared to USD 8.1 million and profit margin of 4.3% during FY 2016 on back of higher profit margins from companies operating in Industrial Segment.
- Net Profit after Tax** reported USD 7.0 million during FY 2017 compared to USD 7.8 million during last year despite the depreciation of EGP against USD by average of 47.6% during FY 2017.

THANK YOU!

For further inquiries please contact:

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