



Investor Presentation FY 2021

- Publicly traded since **2006** with a **38.5%** free float and the rest is owned by **Arafa Family**.
- Stock is traded in **USD**.
- 3** Operational activities: Textiles, Apparel & Tailoring, Retail & Distribution.
- +10%** of Egypt's total garment exports.
- Industrial facilities at **10th of Ramadan & Beni Suef city**

- +13,000** employees.
- Manufacturing **home for luxury garments**.
- Homegrown luxury brand "CONCRETE"** with +40 retail stores across Egypt.
- 15%** of the UK suits market.
- In March 2012 inaugurated **Camegit** a 50:50 JV with "Ermenegildo Zegna" in Egypt.

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

Brands:

CONCRETE
EST. 1989

TED BAKER
LONDON

JEFF BANKS
LONDON

Gibson
LONDON

THE ORIGINAL
Ben Sherman

By Appointment to
Her Majesty The Queen
Alexandre of England 1988 Ltd
London
ALEXANDRE
OF ENGLAND

RACING GREEN
BRITISH STYLE

Clients:

Massimo Dutti Brooks Brothers MANGO

JOSEPH ABBOUD

Ermenegildo Zegna

A|X
ARMANI EXCHANGE

Walmart  the magic of macy's

DEBENHAMS

PEERLES!
CLOTHING
INTERNATIONAL

VRG
VISTULA RETAIL GROUP

ZARA

BYTOM
SZTUKA KRAWIECTWA OD 1945

M
W
MENSWEARHOUSE

EMPORIO ARMANI  Dillard's

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)

- More than 50 of multiple stores and online channels in UK.
- Significant market share of formal menswear in UK market.
- Online business 17% of turnover.
- Turnover USD 87.7 million in FY 2021.

Concrete (Egypt)

- 38 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 USD 24.6 million in FY 2021.

Euromed (Egypt)

- 8 stores in Egypt.
- Homegrown wholesale and uniform business in Egypt.
- Owner of group's specialized online platform for Apparel, Leather products and Accessories.
- Turnover USD 8.5 million in FY 2021.

CONCRETE

EST. 1989

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THE ORIGINAL
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RACING GREEN
BRITISH STYLE

suit DIRECT


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

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

- 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 (**Duty free zones**).
- The government maintains the long-encouraged export activity through offering **incentives programs** in support of **export-oriented manufacturers**.

Backed by World-Class Manufacturing and Exporting Capabilities

Arafa Holding industrial facilities serve a variety of markets from Casual Wear segment to Luxury Wear segment through large capacities of well diversified product range:

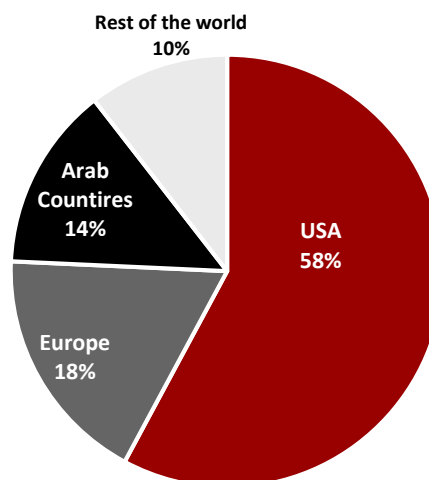
| Wool Fabrics | Jackets | Formal Trousers | Casual Pants | Shirts |
|----------------------|---------------|-----------------|---------------|-----------|
| • 2.3 Million Meters | • 1.4 Million | • 1.1 Million | • 2.4 Million | • 900,000 |



- RMG sector is the key player within the textile & apparel sector with the **majority privately owned**.
- Main export regions include **USA & Europe** contributing **58% & 18%** respectively of total RMG exports as of **April 2022**.
- **Swiss Garment Company (SGC)** –Arafa Holding subsidiary for exporting formal menswear – is one of the largest Egyptian exporters of ready-made garments to **USA & Europe**.
- Sector benefits from government support due to being a labor-intensive sector and a source of foreign currency inflows.

| RMG Sector Contribution (USD in millions) | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | April 2022* |
|---|-------|-------|-------|-------|-------|-------|-------------|
| RMG Exports | 1,274 | 1,459 | 1,604 | 1,697 | 1,455 | 2,080 | 851 |
| Growth Rate % | -8% | 15% | 10% | 5% | -14% | 43% | 46% |

Regional Breakdown of RMG as of April 2022



*April 2022 growth rate is calculated in relation to April 2021

Source: Apparel Export Council of Egypt Report dated April 2022

| Income Statement (USD 000's) | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|----------------|----------------|----------------|
| Net Revenues | 224,997 | 116,765 | 183,872 |
| <i>% change</i> | <i>(4.9%)</i> | <i>(48.1%)</i> | <i>(57.5%)</i> |
| Gross Profit | 79,999 | 31,393 | 74,697 |
| <i>Gross Profit Margin</i> | <i>35.6%</i> | <i>26.9%</i> | <i>40.6%</i> |
| EBITDA | 12,968 | 5,989 | 11,298 |
| <i>% EBITDA Margin</i> | <i>5.8%</i> | <i>5.1%</i> | <i>6.1%</i> |
| Operating Profits (EBIT) | 7,273 | 443 | 730 |
| <i>% EBIT Margin</i> | <i>3.2%</i> | <i>0.4%</i> | <i>0.4%</i> |
| Net Profit After Tax | 15,205 | (6,364) | (5,346) |
| <i>% Net Profit Margin</i> | <i>6.8%</i> | <i>-5.5%</i> | <i>-2.9%</i> |

| Balance Sheet (USD 000's) | FY 2019 | FY 2020 | FY 2021 |
|---|----------------|----------------|----------------|
| Cash & Marketable Securities | 85,404 | 76,644 | 64,568 |
| Net Receivables | 9,989 | 14,621 | (6,459) |
| Inventory | 108,344 | 98,589 | 98,901 |
| Fixed Assets | 54,307 | 48,886 | 48,099 |
| Total Assets | 411,987 | 385,683 | 373,873 |
| Total Liabilities | 317,287 | 310,928 | 309,151 |
| Total Shareholder's Equity | 94,699 | 74,755 | 64,722 |
| Total Liabilities & Shareholder's Equity | 411,987 | 385,683 | 361,470 |

FY 2021

- Arafa Holding reported **Consolidated Net Revenues** of USD 183.9 million during FY 2021 compared to USD 224.9 million during FY 2019. The group local retail arm sales (Concrete & Euromed) hiked by 21.9% compared to 2019, whereas the UK retail arm and the formal wear manufacturing arm were negatively affected due to markets instability and forcing lockdown many times during the year, in addition to the global supply chain bottleneck which caused delay of raw materials.
- Arafa Holding recorded **Net Loss after tax** of USD 5.3 million in FY 2021 including losses of USD 4.4 million, representing the impact of applying the accounting standards 47 and 49 on the consolidated financial statements, compared to Net Profit After-tax of USD 15.2 million in FY 2019, due to incurring lots of fixed costs during H1 2021 as a result of weakened export orders with the continuation of precautionary measures.

| Income Statement (USD 000's) | Q4 2019 | Q4 2020 | Q4 2021 |
|---------------------------------|--------------|----------------|--------------|
| Net Revenues | 65,083 | 30,881 | 63,929 |
| <i>% change</i> | <i>4.4%</i> | <i>(52.6%)</i> | <i>107%</i> |
| Gross Profit | 23,480 | 5,454 | 36,063 |
| <i>Gross Profit Margin</i> | <i>36.1%</i> | <i>17.7%</i> | <i>56.4%</i> |
| EBITDA | 6,337 | (1,263) | 13,644 |
| <i>EBITDA Margin</i> | <i>9.7%</i> | <i>-4.1%</i> | <i>21.3%</i> |
| Operating Profit (EBIT) | 4,249 | (2,584) | 8,718 |
| <i>EBIT Margin</i> | <i>6.5%</i> | <i>-8.4%</i> | <i>13.6%</i> |
| Net Profit After Tax | 4,356 | (7,851) | 6,974 |
| <i>Net Profit Margin</i> | <i>6.7%</i> | <i>(25.4%)</i> | <i>10.9%</i> |

Q4 2021

- Arafa Holding recorded **Consolidated Net Revenues** of USD 63.9 million in Q4 2021, compared to USD 65.1 million in Q4 2019, which reflects the recovery of a large portion of pre-pandemic sales volumes despite the outbreak of the Omicron variant during Q4 2021 that pushed many countries to re-impose partial lockdown, which led to less exporting orders in the fear of imposing full lock down.
- Arafa Holding recorded **Net Profit after tax** of USD 5.3 million in Q4 2021 marking an uptick of 21.4% compared to Net Profit after tax of USD 4.4 million in Q4 2019. Thanks to the exerted efforts during the Covid crisis, the group's results improved gradually to conclude net profits starting from Q3 2021 after re-opening the markets by H2 2021 and earning the benefits of restructuring the retail and manufacturing sectors, along with upping investments in e-commerce, reducing industrial expenses, and selling non-profitable assets.

THANK YOU!

For further inquiries please contact:

Investor Relations

investorrelations@arafaholding.com

www.arafaholding.com

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