



Investor Presentation H1 2023

- Publicly traded since **2006** with a **39%** 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**

- **+10,000** employees.
- Manufacturing **home for luxury garments**.
- **Homegrown luxury brand "CONCRETE"** with +40 retail stores across Egypt.
- **Significant market share** 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



By Appointment to
Her Majesty The Queen
Tailors
Awarded of England 1989 Ltd
London

ALEXANDRE
OF ENGLAND

RACING GREEN
BRITISH STYLE

Clients:

Massimo Dutti Brooks Brothers

EMPORIO ARMANI

JOSEPH ABBOUD

JOOP!

★ macy's

RAMSEY

BOGGI
MILANO

VRG
VISTULA RETAIL GROUP

Ermenegildo Zegna

PEERLESS CLOTHING INTERNATIONAL

MANGO

HOLY
FASHION GROUP

A|X
ARMANI EXCHANGE

ZARA

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 18% of turnover.
- Turnover USD 102.9 million in FY 2022.

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 USD 23.9 million in FY 2022.

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 4.3 million in FY 2022.

Gibson
LONDON


CONCRETE
EST. 1989

TED BAKER
LONDON

suit DIRECT


JEFF BANKS
LONDON

RACING GREEN
BRITISH STYLE


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:

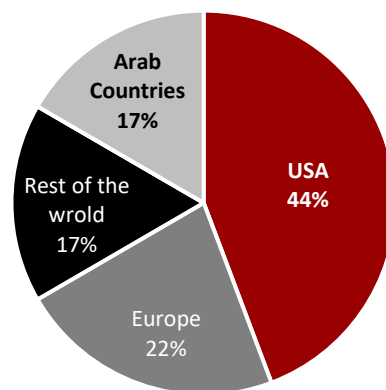
Wool Fabrics	Jackets	Formal Trousers	Casual Pants	Shirts
• 3 Million Meters	• 1.5 Million	• 1.5 Million	• 2.5 Million	• 1 Million



- RMG sector is the key player within the textile & apparel sector with the **majority privately owned**.
- Main export regions include **USA & Europe** contributing **44% & 22%** respectively of total RMG exports as of **July 2023**.
- **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)	2017	2018	2019	2020	2021	2022	Till July 2023*
RMG Exports	1,459	1,604	1,697	1,455	2,063	2,516	1,338
Growth Rate %	15%	10%	5%	-14%	42%	22%	-8%

Regional Breakdown of RMG export, July 2023



*July2023 growth rate is calculated in relation to July 2022

Source: Apparel Export Council of Egypt Report dated July 2023

Income Statement (USD 000's)	FY 2020	FY 2021	FY 2022
Net Revenues	116,765	183,872	230,792
<i>% change</i>	(48.1%)	57.5%	25.5%
Gross Profit	31,393	74,697	98,783
<i>Gross Profit Margin</i>	26.9%	40.6%	42.8%
EBITDA	5,989	11,298	32,308
<i>% EBITDA Margin</i>	5.1%	6.1%	14.0%
Operating Profits (EBIT)	443	730	21,385
<i>% EBIT Margin</i>	0.4%	0.4%	9.3%
Net Profit After Tax	(6,364)	(5,346)	11,709
<i>% Net Profit Margin</i>	(5.5%)	(2.9%)	5.1%

Balance Sheet (USD 000's)	FY 2020	FY 2021	FY 2022
Cash & Marketable Securities	76,644	64,568	24,316
Net Receivables	14,621	38,121	22,400
Inventory	98,589	98,901	109,446
Fixed Assets	48,886	49,385	46,758
Total Assets	385,683	408,705	350,795
Total Liabilities	310,928	343,983	318,736
Total Shareholder's Equity	74,755	64,722	32,059
Total Liabilities & Shareholder's Equity	385,683	408,705	350,796

FY 2022

- Arafa Holding reported **Consolidated Net Revenues** of USD 230.8 million during FY 2022 compared to USD 183.9 million during FY 2021. During the year 2022, Arafa Holding succeeded in superseding pre-covid sales levels despite the severe challenges facing the global economy since the outbreak of the Russian-Ukrainian war which caused damage to the markets, especially the European market, which is one of the group's key strategic markets. As the retail arm of the group recorded YOY sales increase of 8.5% compared to FY 2021, while the sales of the industrial arm of the group recorded a YOY sales growth of 31.8% compared to FY 2021.
- Arafa Holding recorded **Net Profit After Tax** of USD 11.7 million in FY 2022 with profit margin of 5.1% compared to Net Loss After-tax of USD 5.3 million in FY 2021, with loss margin of 2.9% during the comparison year in 2021 backed up by an increase in both sales and operating profits during the year.

Income Statement (USD 000's)	H1 2022	H1 2023
Net Revenues	110.8	108.0
<i>% change</i>	65%	(2.5)
Gross Profit	44.8	47.9
<i>Gross Profit Margin</i>	40.4%	44.4%
EBITDA	14.7	16.4
<i>EBITDA Margin</i>	13.2%	15.2%
Operating Profit (EBIT)	9.2	9.5
<i>EBIT Margin</i>	8.3%	8.8%
Net Profit After Tax	(4.5)	(1.5)
<i>Net Profit Margin</i>	(4.1%)	(1.4%)

- Arafa Holding recorded **Consolidated Net Revenue** of USD 108.0 million during H1 2023, compared to USD 110.8 million during the comparable period, Despite growth in sales of industrial arm & concrete on local currency, the group's results were negatively affected by the decline in sales of the UK Baird Group.
- The group recorded **Operating Profits** of USD 9.5 million during H1 2023 compared to operating profits of USD 9.2 million during the comparative period supported by higher operating profits of industrial arm.
- The Group recorded **Consolidated Net loss After Tax** of USD 1.5 million in H1 2023, compared to Consolidated Net loss after tax of USD 4.5 million in H1 2022. The losses are attributed to higher finance costs on the back of hike in the interest rates globally to reduce the high inflation rates in the global markets.

H1 2023

THANK YOU!

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