



Investor Presentation Q1 2021

- Publicly traded since **2006** with a **40%** 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.
- +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



ALEXANDRE
OF ENGLAND

TED BAKER
LONDON

Gibson
LONDON

THE ORIGINAL

Ben Sherman

RACING GREEN
BRITISH STYLE

Clients:



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

- 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**.

Baird Group (UK & EU)

- 235 stores in UK.
- 15% market share of formal menswear in UK market.
- Managing Debenhams menswear concessions across UK.
- Standalone shops & department stores.
- Online business 17% of turnover.
- Turnover USD 42 million in FY 2020.

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 19 million in FY 2020.

Euromed (Egypt)

- 8 stores in Egypt.
- Homegrown middle segment family stores & wholesale business in Egypt.
- Owner of group's specialized online platform for Apparel, Leather products and Accessories.
- Turnover USD 7.1 million in FY 2020.



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

ALEXANDRE
OF ENGLAND

RACING GREEN
BRITISH STYLE

suit DIRECT

Gibson
LONDON

THE ORIGINAL

Ben Sherman®

CONCRETE
EST. 1989

TED BAKER
LONDON

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:

In "1 minute" Arafa Holding industrial facilities produce
14 Jackets
14 Formal Trousers
12 Casual Pants & 7 Shirts

Wool Fabrics	Jackets	Formal Trousers	Casual Pants	Shirts	Casual Shorts	Vests
• 2.2 Million Meters	• 2.0 Million	• 2.0 Million	• 1.8 Million	• 1.0 Million	• 500,000	• 500,000

GoldenTex
 SINCE 1982


SGC
 SWISS GARMENTS CO.


ETC
 EGYPT TAILORING CO.


SCG
 Swiss Company for Cotton Garments


CRISTALL
 FOR MAKING SHIRTS



Overview on Egypt's Ready-Made Garments (RMG) Industry

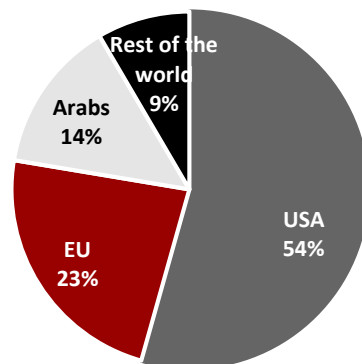
RMG Sector

- RMG sector is the key player within the textile & apparel sector with the **majority privately owned**.
- Main export regions include **USA & Europe** contributing **54% & 23%** respectively of total RMG exports during **April 2021**.
- **Swiss Garment Company (SGC)** – a Arafa Holding subsidiary for producing and 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.

Great Growth Opportunity in Garments industry with Egypt currently contributing less than 1% of global garments industry

RMG Sector Contribution (USD in millions)	2015	2016	2017	2018	2019	2020	April.2021
RMG Exports	1,386	1,274	1,459	1,604	1,697	1,455	588*
Growth Rate %	-3.15%	-8.08%	14.52%	9.94%	5.36%	-14.26%	35.8%*

Regional Breakdown of RMG Exports as of April 2021



*April 2021 growth rate is calculated in relation to April 2020

Source: Apparel Export Council of Egypt Report dated April 2021

Income Statement (USD 000's)	FY 2018	FY 2019	FY 2020
Net Revenues	236,554	224,997	116,765
% change	(1.4%)	(4.9%)	(48.1%)
Gross Profit	85,899	79,999	31,393
Gross Profit Margin	36.3%	35.6%	26.9%
EBITDA	13,028	12,717	5,142
EBITDA Margin	5.5%	5.7%	4.4%
Operating Profits (EBIT)	7,145	7,022	(0,403)
EBIT Margin	3.0%	3.1%	-0.3%
Net Profit After Tax	3,085	15,205	(6,364)
Net Profit Margin	1.3%	6.8%	-5.5%

Balance Sheet (USD 000's)	FY 2018	FY 2019	FY 2020
Cash & Marketable Securities	64,010	85,404	76,644
Net Receivables	57,224	55,996	86,004
Inventory	115,014	108,344	98,589
Fixed Assets	50,832	54,307	48,886
Total Assets	<u>396,337</u>	<u>411,987</u>	<u>385,683</u>
Total Liabilities	296,042	317,287	310,928
Total Shareholder's Equity	100,295	94,699	74,755
Total Liabilities & Shareholder's Equity	<u>396.337</u>	<u>411,987</u>	<u>385,683</u>

FY 2020

- Arafa Holding reported **Consolidated Net Revenues** of USD 116.8 million during FY 2020 compared to USD 225.0 million during FY 2019 . Retail sales in Egypt & the UK were negatively affected by the closure of malls & Shops due to COVID19 Pandemic . The manufacturing Sector was affected by fall back in export sales due to lockdowns all over the world resulting in many clients cancelled their orders and some of them declared their bankruptcy .
- Arafa Holding recorded **Net Loss after tax** of USD (6.4) million in FY 2020 , with net Loss margin of (5.5%) compared to a net consolidated profit of USD 15.2 million and net profit margin of 6.8% during FY 2019.

Income Statement (USD 000's)	Q1 2020	Q1 2021
Net Revenues	40,277	28,773
<i>% change</i>	(18.2%)	(28.6%)
Gross Profit	12,338	8,260
<i>Gross Profit Margin</i>	30.6%	28.7%
EBITDA	967	(6,928)
<i>EBITDA Margin</i>	2.4%	-24.1%
Operating Profits (EBIT)	(1,057)	(8,635)
<i>EBIT Margin</i>	-2.6%	-30.0%
Net Profit After Tax	(144)	(9,903)
<i>Net Profit Margin</i>	-0.4%	-34.4%

Q1 2021

- Arafa Holding recorded **Consolidated Net Revenues** of USD 28.8 million in the first quarter of 2021, compared to USD 40.3 million in 2020. The group sales tumbled in Q1 2021 post the outbreak of Covid-19 second wave in November 2020, which caused a lockdown in the EU and the UK markets in January 2021, driving down the manufacturing segment sales represented by the Swiss Garments Company and Egypt Tailoring Company. Along with a decrease in the UK retail sales represented by the Baird Group.
- Arafa Holding recorded **Net Loss after Tax** of USD 9.9 million during the first quarter of 2021, compared to USD 144.0 K in 2020, the group bottom line was strongly affected by the lockdown renewal across the European markets. Nevertheless, the group management has initiated a strict cost reduction strategy, which is expected to reflect on the second half of 2021.

THANK YOU!

For further inquiries please contact:

Investor Relations

ir@arafaholding.com

www.arafaholding.com

Al Arafa for Investment and Consultancies (the “Company” or “Arafa Holding”) gives notice that:

- This document is the property of Al Arafa Holding and it may contain confidential information solely for use as an investor presentation.
- It must be treated confidentially and should not be reproduced, redistributed or passed to any other person.
- The information contained in this presentation may contain certain projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct. Actual results may differ materially from those projected.
- No statement contained in this presentation is to be relied upon as a statement or representation of fact. All parties must satisfy themselves as to the correctness of each of the statements contained in this presentation. Arafa Holding does not make or give, and neither its subsidiaries nor any of their directors or officers or persons in their employment or advisors has any authority to make or give, any representation or warranty whatsoever in relation to this presentation.
- This presentation may not be stored, copied, distributed, transmitted, retransmitted or reproduced, in whole or in part, in any form or medium without the permission of Arafa Holding.
- This document is provided for informational purposes only. It is not an offer to buy or sell, or a solicitation to buy or sell Al Arafa Holding’s shares. Readers should take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document.