



Investor Presentation Q1 2022

- 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 **10<sup>th</sup> 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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LONDON


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LONDON

  
**JEFF BANKS**  
LONDON

THE ORIGINAL  
**Ben Sherman**

**RACING GREEN**  
BRITISH STYLE

**suit DIRECT**

  
By Appointment to  
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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

*GoldenTex*  
SINCE 1982

  
**SGC**  
SWISS GARMENTS CO.

  
**ETC**  
EGYPT TAILORING CO.

  
**SCG**  
Swiss Company for Cotton Garments

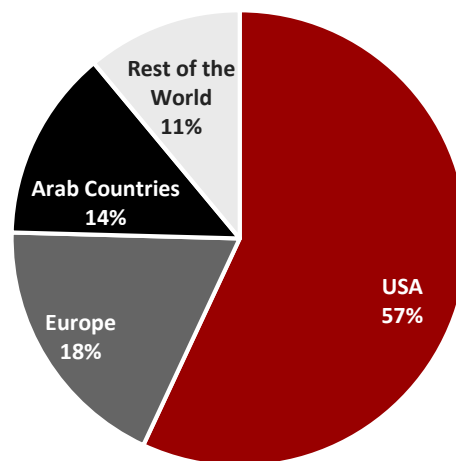
  
**CRISTALL**  
FOR MAKING SHIRTS



- RMG sector is the key player within the textile & apparel sector with the **majority privately owned**.
- Main export regions include **USA & Europe** contributing **57% & 18%** respectively of total RMG exports as of **July 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	July 2022*
RMG Exports	1,274	1,459	1,604	1,697	1,455	2,080	1,440
Growth Rate %	-8%	15%	10%	5%	-14%	43%	35%

Regional Breakdown of RMG export, July 2022



\*July 2022 growth rate is calculated in relation to July 2021

Source: Apparel Export Council of Egypt Report dated July 2022

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

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
<b>Total Assets</b>	<b>411,987</b>	<b>385,683</b>	<b>373,873</b>
<b>Total Liabilities</b>	<b>317,287</b>	<b>310,928</b>	<b>309,151</b>
<b>Total Shareholder's Equity</b>	<b>94,699</b>	<b>74,755</b>	<b>64,722</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>411,987</b>	<b>385,683</b>	<b>361,470</b>

## 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)	H1 2021	H1 2022
Net Revenues	67,040	110,780
<i>% change</i>	20.3%	65.2%
Gross Profit	20,687	44,810
<i>Gross Profit Margin</i>	30.9%	40.4%
EBITDA	(6,939)	11,609
<i>EBITDA Margin</i>	(10.4%)	10.5%
Operating Profit (EBIT)	(10,649)	9,201
<i>EBIT Margin</i>	(15.9%)	8.3%
Net Profit After Tax	(12,894)	(4,488)
<i>Net Profit Margin</i>	(19.2%)	(4.1%)

## Q2 2022

- Arafa Holding recorded **Consolidated Net Revenues** of USD 110.8 million in H1 2022, compared to USD 67.0 million in H1 2021, This was concluded by the group effort to boost export sales and target clients with the most stable orders after the retail markets globally went active again. Q2 2022 recorded sales of USD 53.3 million to mark upside growth vs. USD 38.3 in Q2 2021.
- Arafa Holding recorded **operating profit** of USD 9.2 million in H1 2022 compared to operating loss of USD 10.6 million in H1 2021. H1 2022 bottom line was affected by the devaluation of EGP since March 2022 despite the enhanced operational results. Also, Q2 2022 recorded operating profit of USD 6.0 million compared to operating loss of USD 2.0 million in Q2 2021. This boost is backed by group increase in the subsidiaries sales especially the manufacturing companies.

**THANK YOU!**

**For further inquiries please contact:**

Investor Relations

[investorrelations@arafaholding.com](mailto:investorrelations@arafaholding.com)

[www.arafaholding.com](http://www.arafaholding.com)

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