



النساجون الشرقيون
Oriental Weavers





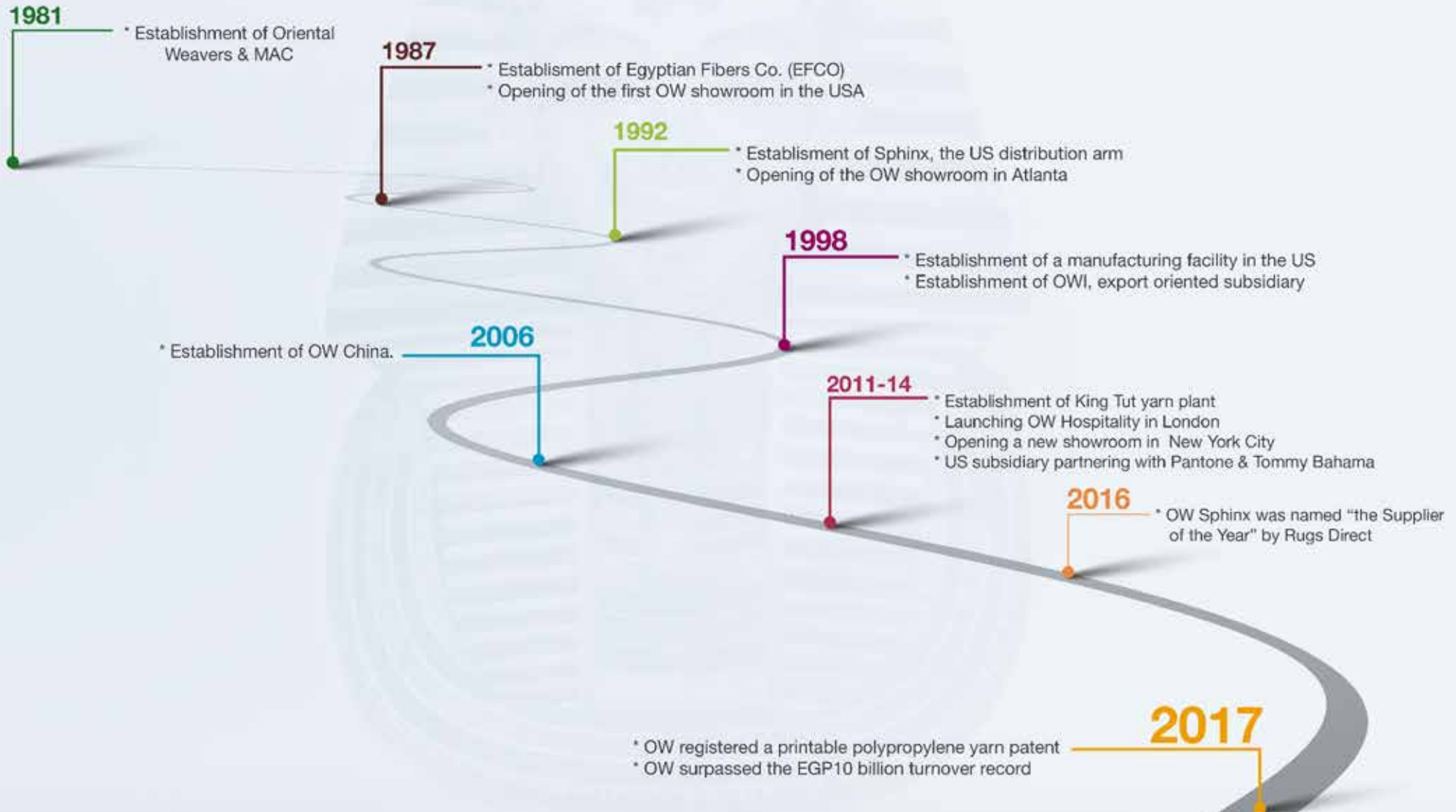
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Oriental Weavers International Facility

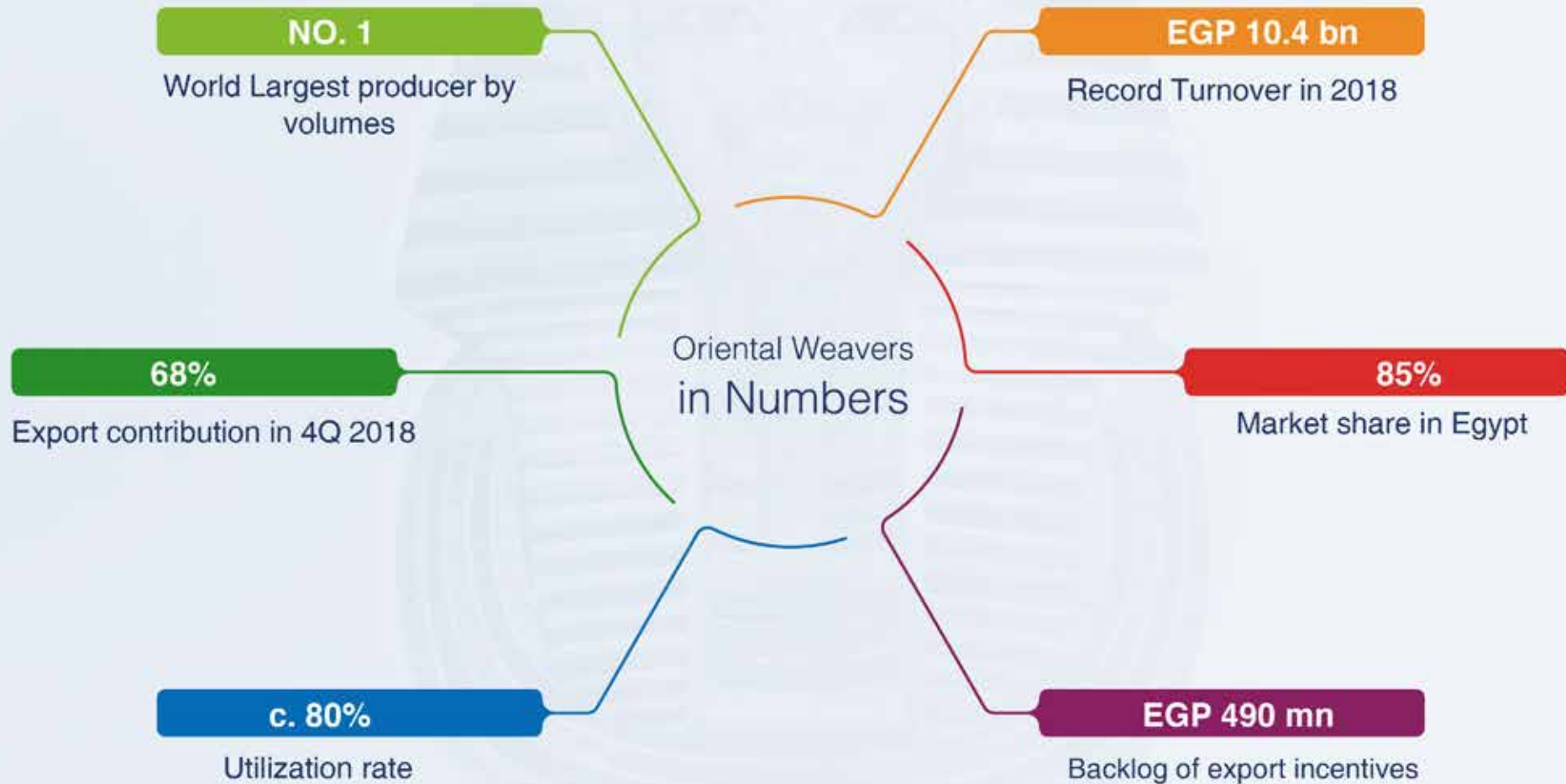


Group's key Milestones





Oriental Weavers in Numbers





Main segments of OW

	Woven				Tufted		Non-woven
Description	Surface yarn is woven simultaneously with the backing. Then a latex compound is added.				The surface yarn is inserted into a polypropylene sheet		Fibers bonded together using chemicals and heat.
Subsidiaries	OWC	OWI & OWT	OWUSA	OW China	MAC	New MAC	EFCO
% of Revenues	32%	27%	20%	1%	17%		3%
Tax rate	22.5%	Exempted	25%	17%	22.5%	Exempted	22.5%
Capacity mn sqm (Dec 2018)	21	44	NA	3.4	46		19

*Capacities vary by grade



A Vertically Integrated Business Model

Oriental Weavers has complete control over the manufacturing process.

Raw material procurement : The wool is sourced from suppliers in Egypt, New Zealand and the UK; Polypropylene granules are sourced from local and regional suppliers.

Fiber extrusion: Raw wool and PP granules are converted into fibers and then spun into yarn. OW produces internally 100% of its own polypropylene fibers and 60% of its nylon needs.

Weaving & Tufting: The carpets are woven at one of our facilities in Egypt, China or the US, depending on the end user. The designs are determined by the customer needs; we offer more than 4 million copyrighted designs to choose from.

Retail & Distribution: Locally, the rugs are sold through our 248 retail & wholesale outlets. Internationally, rugs are distributed worldwide through our list of prominent agents. In the US, rugs are distributed through OW USA.



Global Macro Fundamentals

US Market

- US economy continues to move forward, albeit at a slower rate in the second half of 2019.
- Expected slower growth in new home sales.
- Slower growth in renovation and remodeling activities

Homeowners improvements & repairs (USDbn)



Europe

- Slower path of growth in Europe

Asia & Africa

- Strong potential in African
- beside East Asian markets.

- Developing consumer trends driving growth in these regions.

- Growing Urbanization



Industry overview | Global carpets & rugs market

Global Carpets & rugs market by value (USD bn)



Source: Freedonia group

Global Carpets & rugs market by bn sqm (5 yr CAGR)

- North America: 2.6%
- Europe: 1.1%
- Asia & pacific: 3.2%
- others: 3.8%



Source: Freedonia group, Company estimates



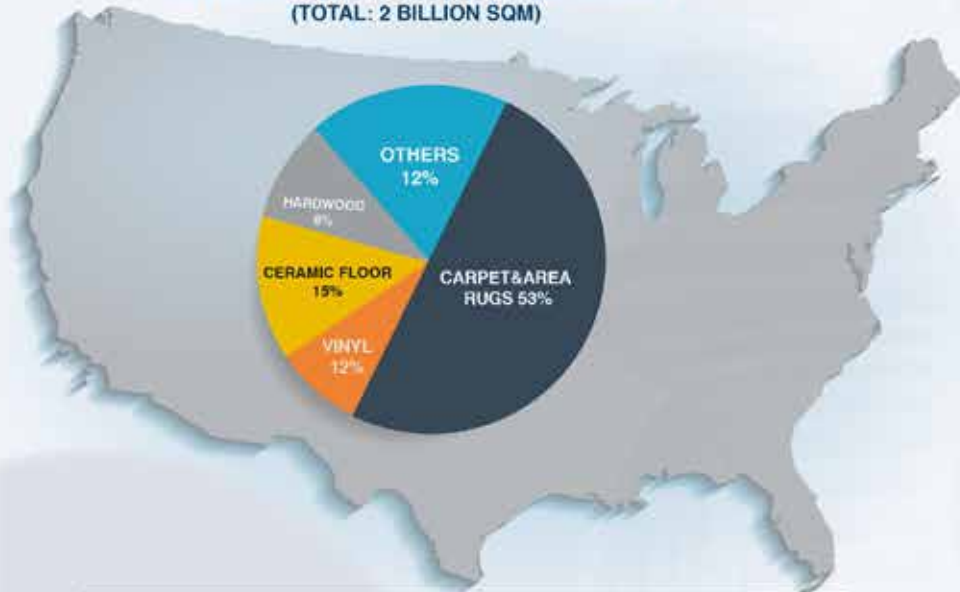
U.S. Carpet Market



Carpet Market

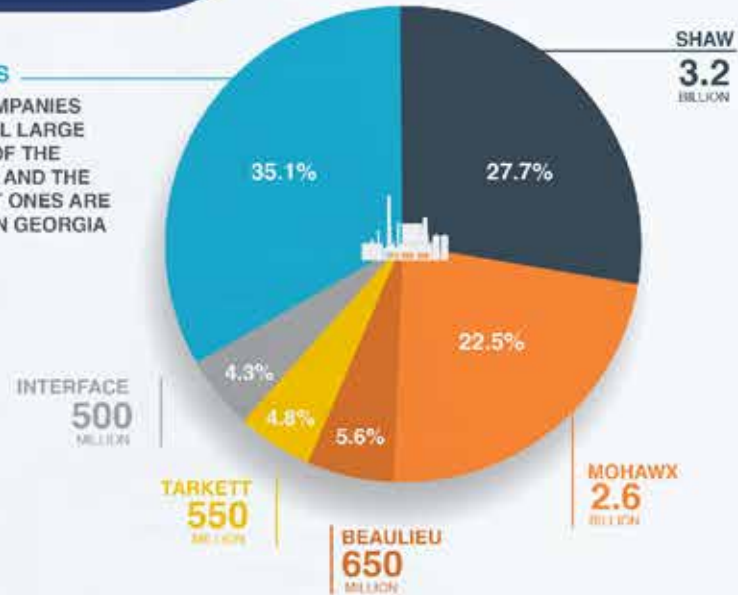
THE UNITED STATES ARE THE SINGLE BIGGEST MARKET FOR CARPETS

US FLOOR COVERING MARKET SALES VOLUME
(TOTAL: 2 BILLION SQM)



OTHERS

FEW COMPANIES CONTROL LARGE SHARE OF THE MARKET AND THE BIGGEST ONES ARE BASED IN GEORGIA



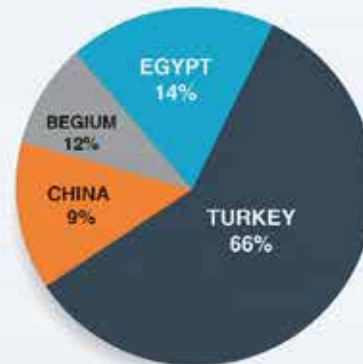
11.7 BILLION SQUARE FEET OF CARPETS & RUGS

3% ANNUALLY IS PROJECTED GROWTH OF THE U.S. CARPET & RUG MARKET

CARPET & RUGS DEMAND BY MARKET



US rug imports in 2017
From Major Countries: USD 661 MILLION



Area rugs and carpets
Market Size (USD bn)





European Carpet Market

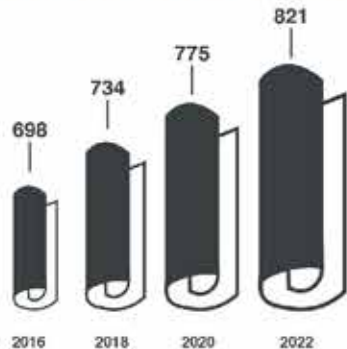
CARPET DEMAND BY SECTOR



PROJECTED GROWTH OF THE EU CARPET MARKET MILLION SQUARE METERS

ANNUALLY
2.7%

VALUED AT
\$56
BILLION



EUROPE IS THE WORLD'S SECOND LARGEST MARKET FOR CARPETS

65%

OF EU DEMAND FOR CARPETS IS FULFILLED BY-BASED MANUFACTURING



Demand Drivers in Egypt

Growing economy	GDP is expected to grow by 5-6% annually up to 2020 as per the IMF.
Sizeable youth population	50% of the Egyptian population are near the marriage with around one million marriages taking place annually.
Housing gap	Housing gap is about 3 million units which creates potential for the development of new private and social housing projects.
Egyptian culture habits	Soft floor coverings are considered essential in every house



4Q2018 Revenue Summary

Value (EGP million)

	FY 2018	FY 2017	% Change
Woven- Egypt based	5,977	5,834	2%
OW USA	2,134	1,958	9%
OW China	81	164	-51%
Tufted	1,779	1,837	-3%
Non-woven Felt	300	357	-16%
Other	134	86	56%
Total	10,405	10,235	2%

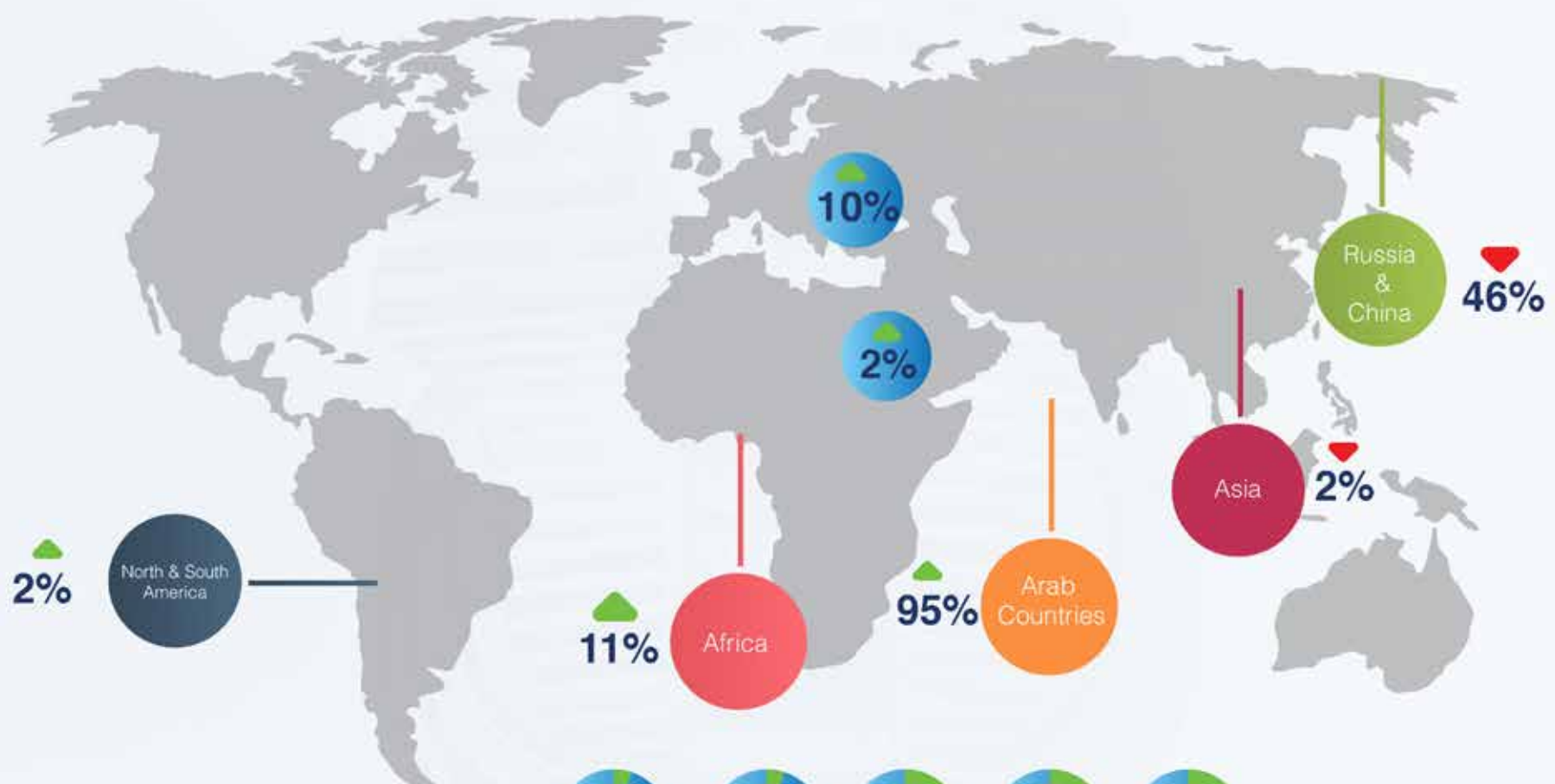
Volume (sqm)

	FY 2018	FY 2017	% Change
Woven- Egypt based	56	55	2%
OW USA	11	11	6%
OW China	1	1	-36%
Tufted	31	32	-3%
Non-woven Felt	14	16	-8%
Other	0	0	
Total	114	114	-1%



Export Market development

Performance by region in 4Q2018



Revenue contribution by regions





Export Market Development in 4Q2018

Percentage ▲	Volume	Value	Average Price	Contribution to Export Revenues	
				4Q 2018	4Q 2017
Woven	▼ 1%	▲ 3	▲ 4%	77%	79%
Tufted	▲ 21%	▲ 16%	▼ 4%	20%	18%
Non-woven Felt	▲ 66%	▲ 44%	▼ 13%	3%	3%
Total	▲ 9%	▲ 5%	▼ 3%	100%	100%



Export performance overview

Export revenues (EGPbn)



Export vs. Local Revenue volume %

● Export ● Local



Export volumes (mn sqm)





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Oriental Weavers

Longstanding relationship with major customers





International Hospitality segment recorded

13% y-o-y growth in 2018:

We installed the carpets at a number of projects worldwide, including:

- 1** Fountain View Towers 1, 2, and 3, Phase 2 of the Atlantis Hotel, and the Novotel Hotel in the UAE
- 2** Shaza Hotel Al-Madinah, Mövenpick Anwar Al Madinah, KSA, and the Hilton Hotel in Muscat.
- 3** Fairmont Hotels in San Francisco and Washington DC, the Four Seasons Westlake, California, and the Ritz Carlton in Chicago, among others.



Local Market Development in 4Q2018

Percentage ▲	Volume	Value	Average Price	Contribution to Export Revenues	
				4Q 2018	4Q 2017
Woven	▼ 5%	▲ 1%	▲ 6%	78%	79%
Tufted	▼ 5%	▼ 5%	▲ 1%	12%	13%
Non-woven Felt	▼ 15%	▼ 4%	▲ 12%	5%	6%
Others (yarn sales)		▲ 87%		5%	2%
Total	▼ 7%	▲ 2%		100%	100%



Local Market Overview

Growing Local revenues (EGPbn)



Local Sales volume (mn sqm)





Revenue progress

Revenues (EGPbn)

● Export ● Local



Sales volumes (mn sqm)

● Export ● Local

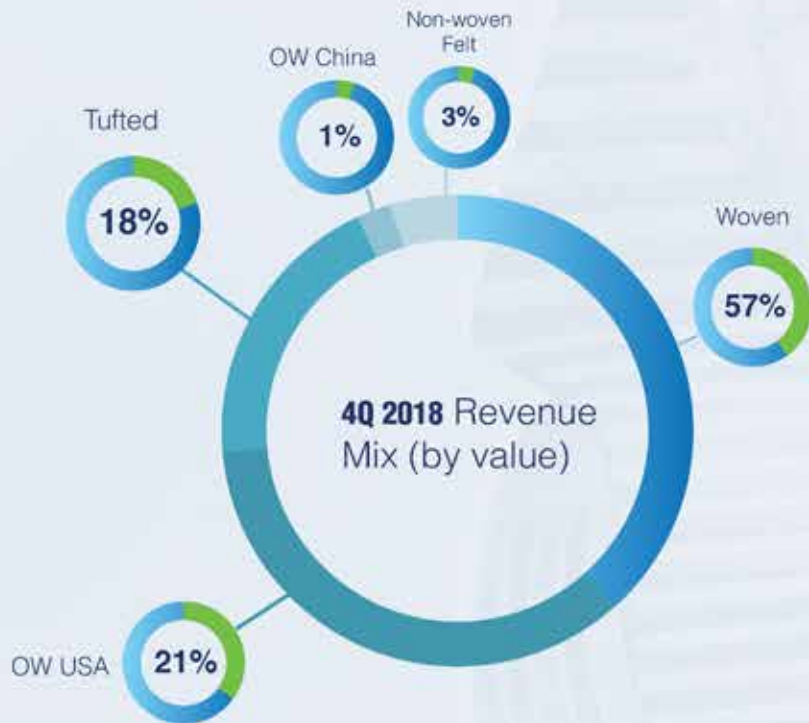


3 -Year (**GAGR 21%**)



Diversified Product Mix

4Q 2018 Revenue Mix (by value)



- Woven-Grade **A** — EGP328/sqm
- Woven-Grade **B** — EGP158/sqm
- Woven-Grade **C** — EGP120/sqm

4Q 2018 Revenue Mix (by volume)



- Tufted wall-to-wall — EGP49/sqm
- Tufted pieces — EGP60/sqm
- Non-woven (EFCO) — EGP21/sqm



Hospitality segment recorded:

Successful installations in 2018

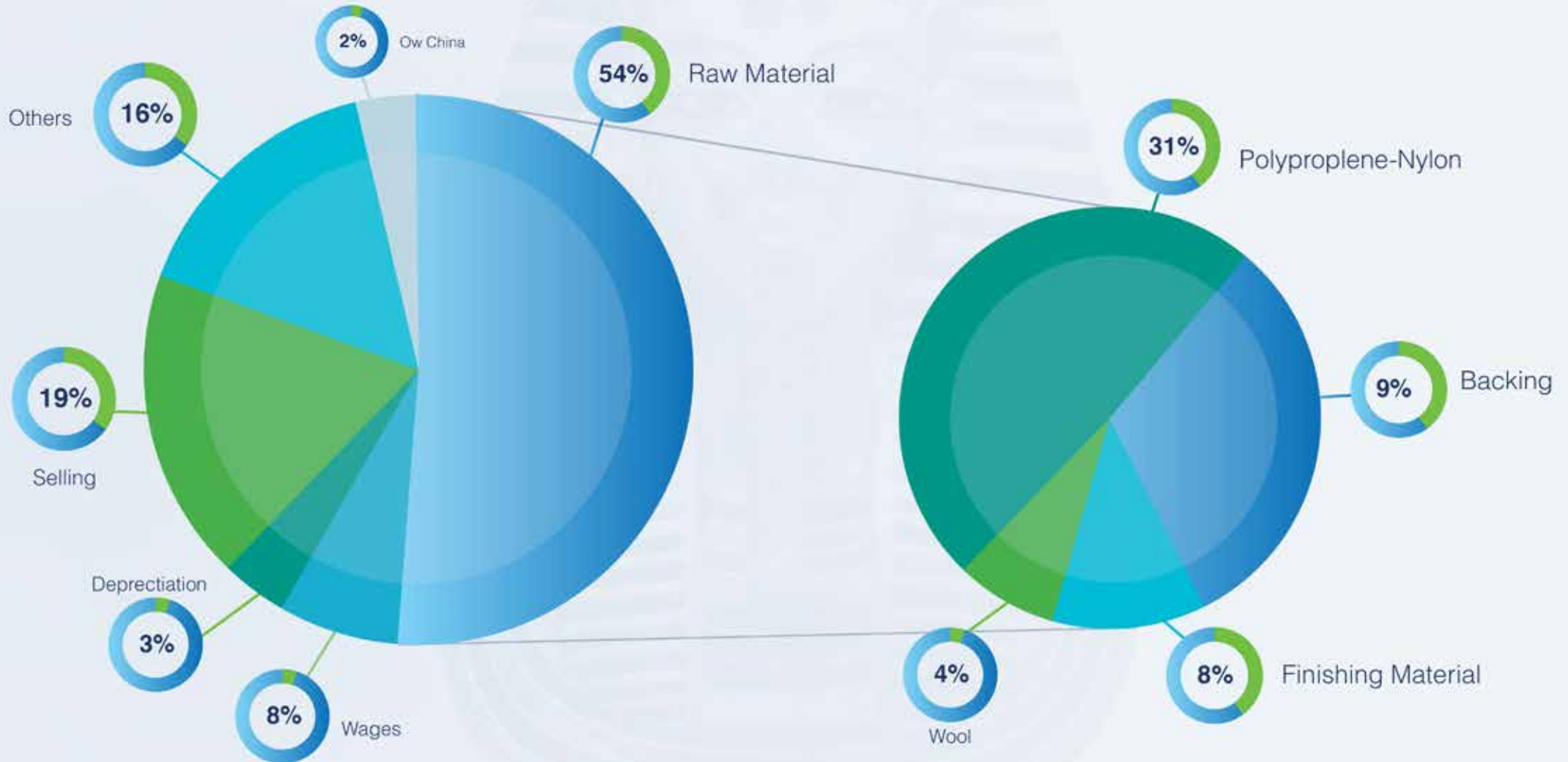
- Galala Coastal Hotel,
- Marriott Cairo Hotel,
- The Four Seasons Nile Plaza,
- the Intercontinental Citystars, in addition to
- the New Capital's 10,000 sqm mosque - the largest mosque in Africa.

Projects on hand to be delivered in 2019 include

- El-Masa El-Alamen Hotel
- El-Galala Mountain Hotel.



4Q 2018 Cost Breakdown



Source: Company

■ Almost 63% of costs are dollar based.



4Q 2018 Cost Breakdown

PP Prices (USD/ton)





Recent Expansions

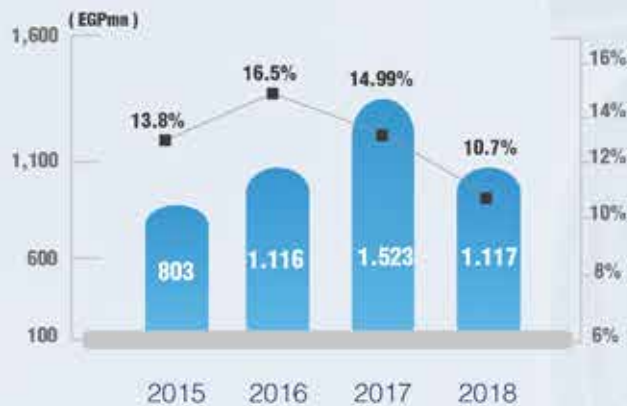
	2015	2016	2017	2018	2019
Woven	13 looms added increasing production capacity by 6%	<ul style="list-style-type: none"> • 4 new goblin looms • 9 new looms • 2 yarn production lines 	<ul style="list-style-type: none"> • Establishing a new factory • 10 new looms • One Heatset yarn machines 	<ul style="list-style-type: none"> • 9 new looms • 7 yarn machines 	<ul style="list-style-type: none"> • 3 looms (confirmed) • packing machines • Yarn machines
Tufted	MAC penetrated the artificial turf segment following the addition of two new machines		<ul style="list-style-type: none"> • One digital printing • Two yarn machines 	<ul style="list-style-type: none"> • Two yarn machines & other equipment 	<ul style="list-style-type: none"> • upgrade chromo jet printers to digital ones, • one printing machine • two new tuft machines • carpets Tiles press • cutting machine.
Non-woven	Two new machines added	Two new machines added	Finishing and coloring machines	Two new machines	



Financial Summary

EBITA Performance (EGPmn)

- EBITDA
- EBITDA margin



Net Income Performance

- Net income
- Net margin



Net Debt (EGPmn)

- Net debt (EGP billion)
- Net debt/EBITDA





Impact of Energy Subsidy Reform on Costs

Energy cost	Jun-14	Jul-15	Jul-17	Jul-18	Change %
Natural gas (Us\$/mmbtu)	2.25	5	5	5	
Electricity (EGP/KW)	0.28	0.435	0.69	0.99	43%
Transportation costs (EGP Diesel/ /Liter)	1.1	1.80	3.65	5.5	55%

* Energy cost represents less than 4% of the company's total cost



Export Incentive Program:

- EGP490 mn delayed disbursement till Feb 2019
- OW collected EGP132 mn in 2018.





Export Incentive Program

The Government to launch a new Export Incentive Program on March 1st

1

Currently, the Ministry of Trade & Industry is preparing a new export incentive program for implementation on March 1st, 2019, replacing the current program.

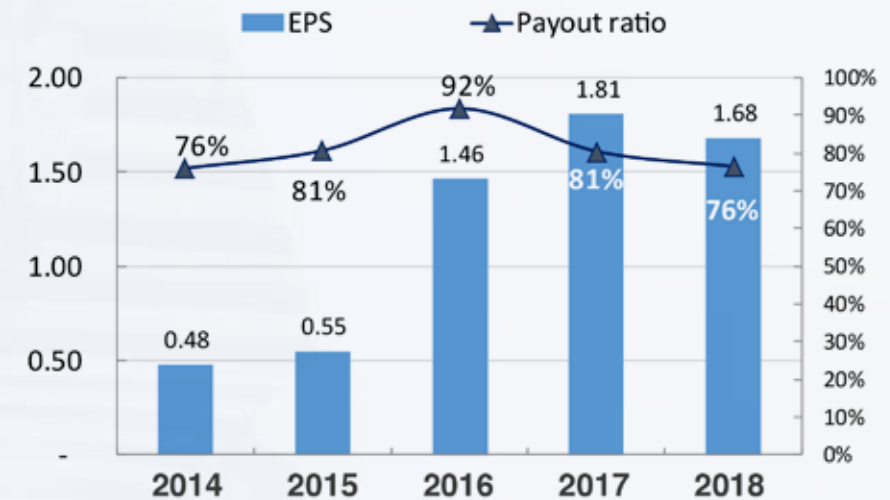
2

The Egyptian Prime Minister meets separately the export councils to discuss proposals and different non-cash alternatives in addition to mechanism through which the backlog will be disbursed.



Share Data

- 443.4 mn shares at par value of EGP 1 per share.
- Issued and Paid-in Capital EGP 443.4 mn.
- Listed in EGX since September 1997.
- 3 Month average daily value EGP8.3mn.
- Market Cap USD 304 mn (as of Feb 27, 2019).
- 2018 DPS of EGP1.5.
- Reuters; Bloomberg ORWE.CA; ORWE EY.



Shareholders' structure

Khamis Family	56.6%
Institutions	37.6%
• Foreign Institutions	24.4%
• Local Institutions	13.2%
Retail	5.8%



Disclaimer

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For More Information, please contact

Ingy El-Diwany, CFA

Investor Relations Manager

 **+202-22685166**

 **ieldiwany@orientalweavers.com**

 **www.orientalweavers.com**