



النساجون الشرقيون  
ORIENTAL WEAVERS



# Oriental Weavers Carpet 1Q 2024 Results

28<sup>th</sup> May 2024

One of the world's  
leading carpet manufacturers

# Disclaimer

This presentation contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

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ORIENTAL WEAVERS

Operating Performance Highlights

# 1Q 24 Operating Performance

Total Revenue + **22% y-o-y**

- International Markets + **12% y-o-y**
- Egypt + **38% y-o-y**

EBITDA **EGP 1,035 million + 67% y-o-y**

EBITDA Margin **21% y-o-y**

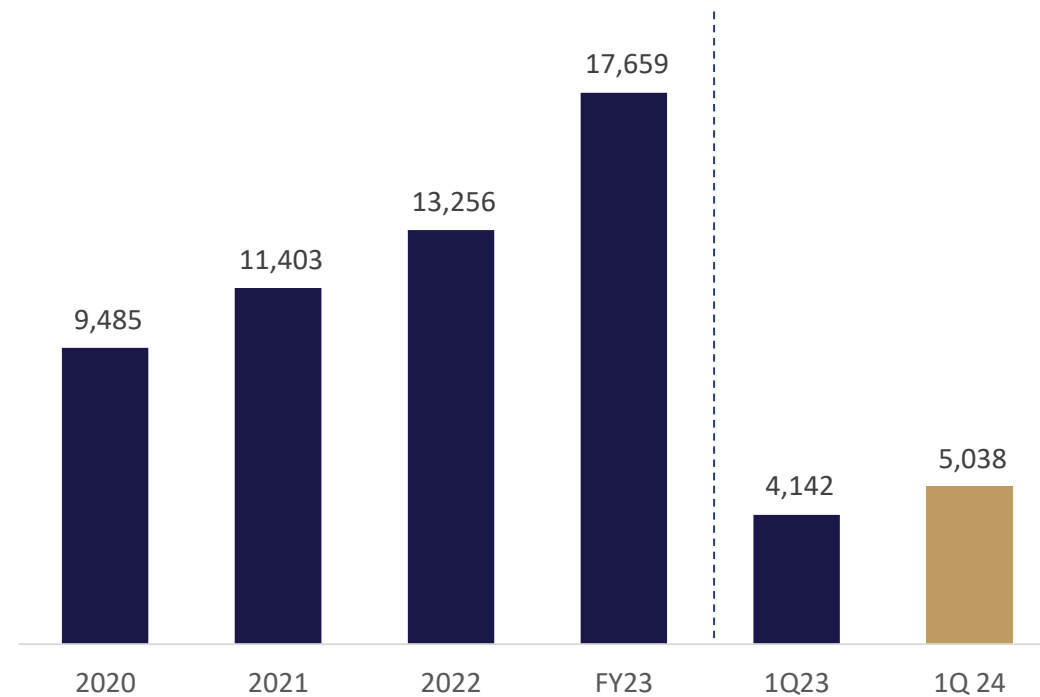
Net Income **EGP 558 million**

Net Attributable Income **EGP 427 million**

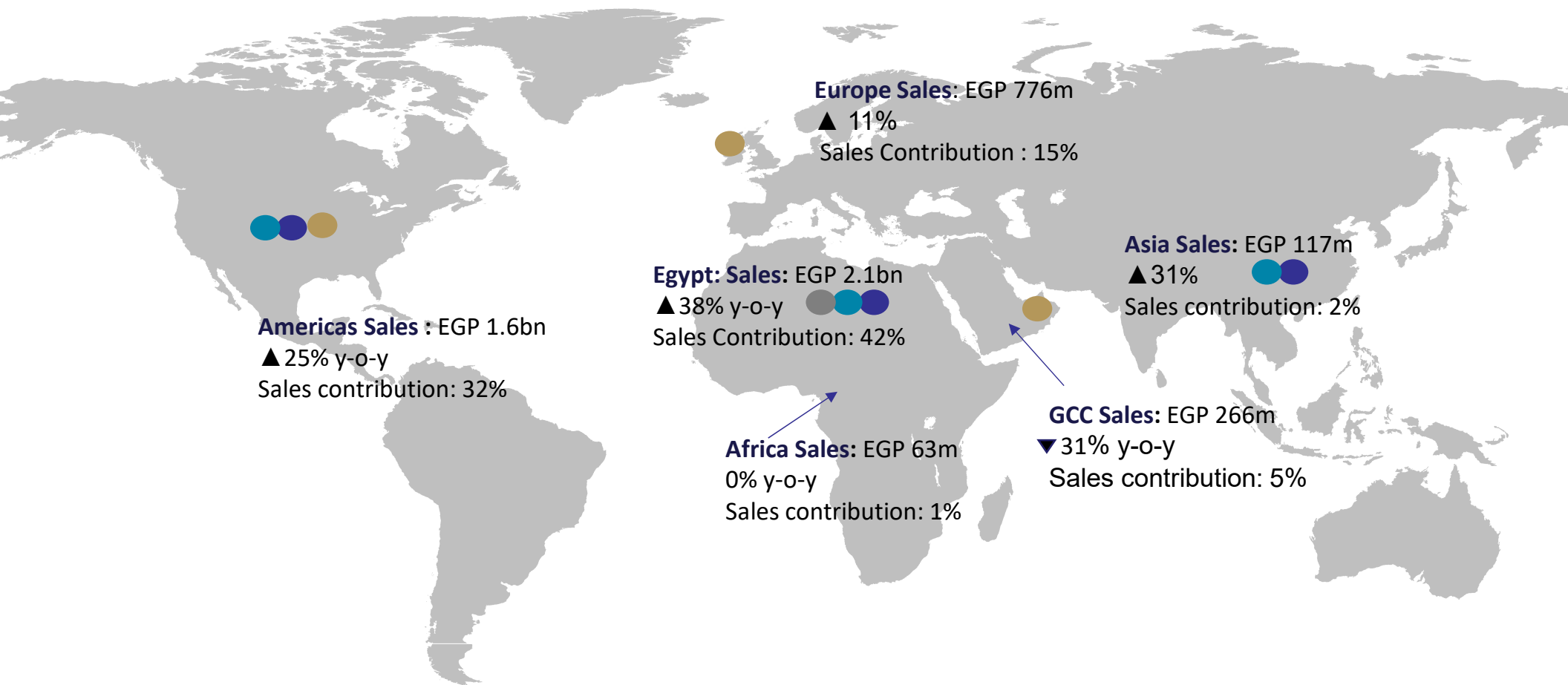
Net Profit Margin **11.1%**

EPS **EGP 0.64 +4%**

Total Revenue (EGP m)


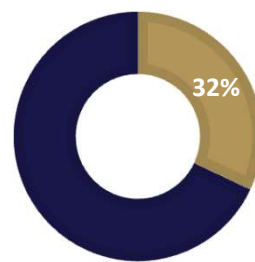
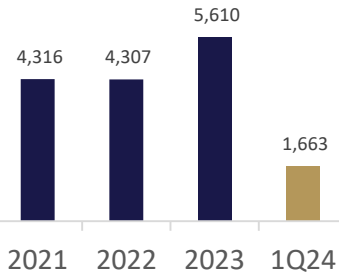


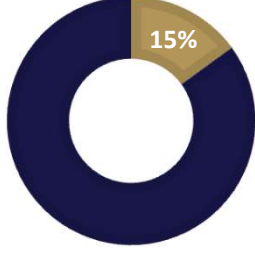
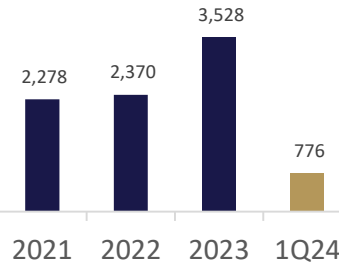


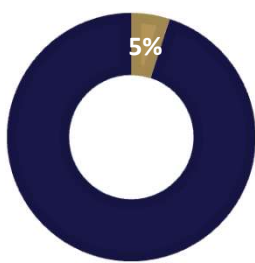
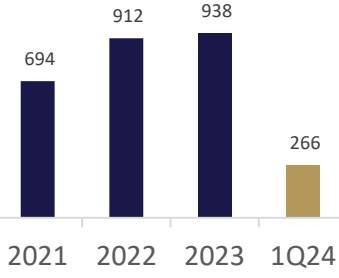



# Diversified Footprint Provides a Unique Platform to Lead & Grow



- Production Facilities: Egypt and the U.S
- Warehousing: Egypt & U.S.
- Distribution Offices: U.S, U.A.E. & England
- Showrooms Egypt (> 260)

# I. Key International Markets Performance

		Share in 1Q24 international Revenues	Revenues ( EGP 000's)	Remarks	Key Accounts
	Americas			<ul style="list-style-type: none"> <li>- OW actively participates in various U.S. Furniture and Rug fairs, including High Point in North Carolina, World Market in Las Vegas, and New York Market Week, totaling six fixed fairs annually.</li> <li>- Sales to Americas <b>increased by 25% y-o-y</b> in 1Q24</li> <li>-The <b>U.S.-based subsidiary</b> of Oriental Weavers, situated in Dalton, Georgia and established in 1991, integrates both manufacturing and sales operations.</li> </ul>	
	Europe			<ul style="list-style-type: none"> <li>-The European market, ranking as the <b>2nd</b>-largest globally for carpets and rugs, commands a substantial 25% market share of the global Mrkt share. As for OW, our focus centers on four key markets: the United Kingdom, Germany, France, and the Netherlands.</li> <li>-In 1Q24, European sales experienced an 11% y-o-y growth. This growth was driven by a weaker EGP.</li> </ul>	
	GCC			<ul style="list-style-type: none"> <li>- Saudi contributes the biggest share in the GCC revenues, followed by the UAE</li> <li>- In 1Q24, GCC revenues declined by 31% compared to 1Q23, primarily as a result of delivery delay due to the red sea situation. Additionally, overstocking in the Saudi market and the reintroduction of Turkish carpets further contributed to the decline</li> </ul>	

# II. Egypt Performance By Segment (42% of revenue)

**Woven** **+ 27% YoY**

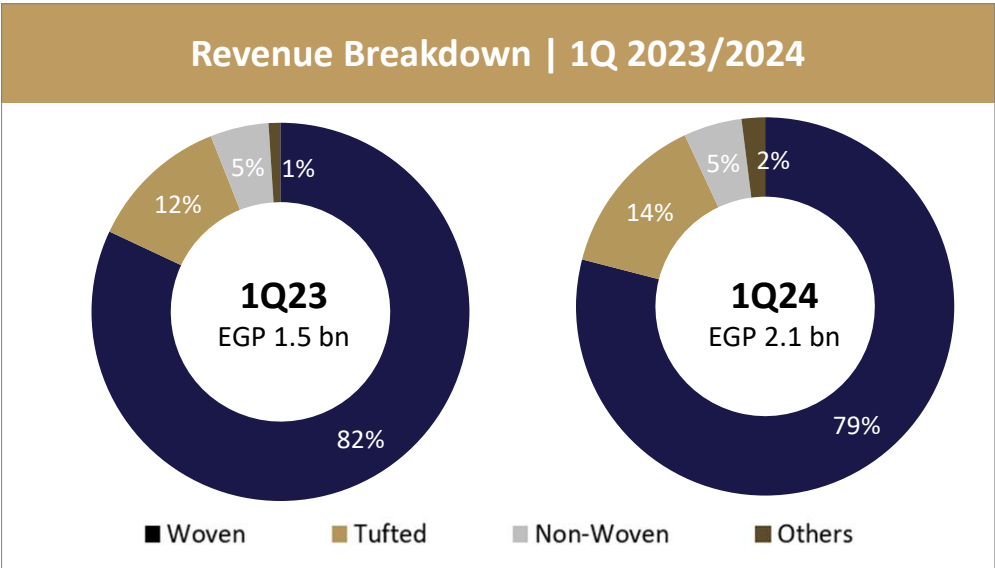
Revenues from the woven segment grew by 27% YoY to EGP 3.2bn, it contributed the majority to overall revenue growth. The growth was attributed to an increase in ASP and volume growth by 9%.

**Tufted** **+63% YoY**

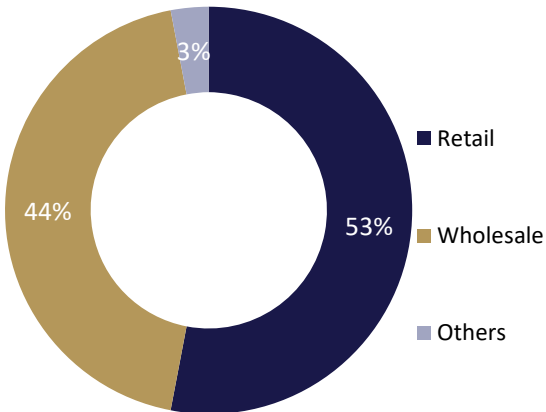
In 1Q24, revenues from the tufted segment witnessed a substantial 63% year-on-year increase, reaching EGP 291 million. This growth can be attributed to an increase in the Average Selling Price (ASP) within the tufted segment, supported by 43% increase in volumes.

**Non-Woven** **+55% YoY**

Revenues from OW's non-woven segment grew by 55% YoY to EGP 112 m in 1Q24 . Revenue growth was driven by increase in ASP , and 10% increase in volumes.



## Distribution Channels



Given that 70% of our customers are newlyweds, this created solid demand in our local presence. Direct to consumer segment (DTC) revenues, which constitute 53% of Egypt sales in 1Q24, showed a 29% y-o-y increase, driven by price increases and OW's marketing campaigns and expansive showroom strategy. Meanwhile, sales & distribution segment (S&D) revenues reported a 49% y-o-y increase.



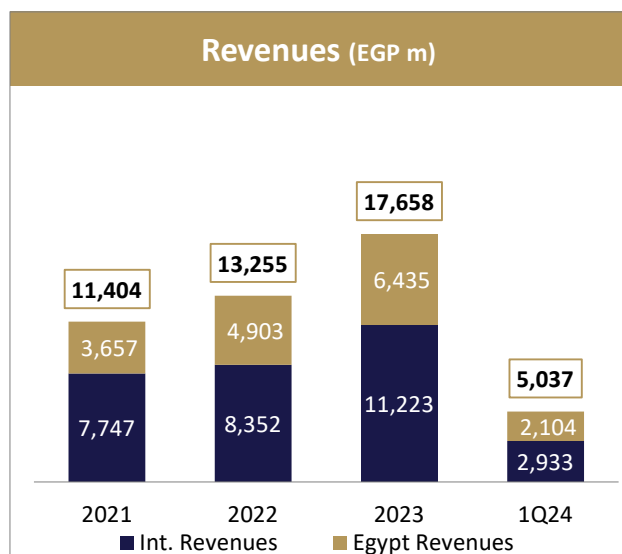




## Financial Overview

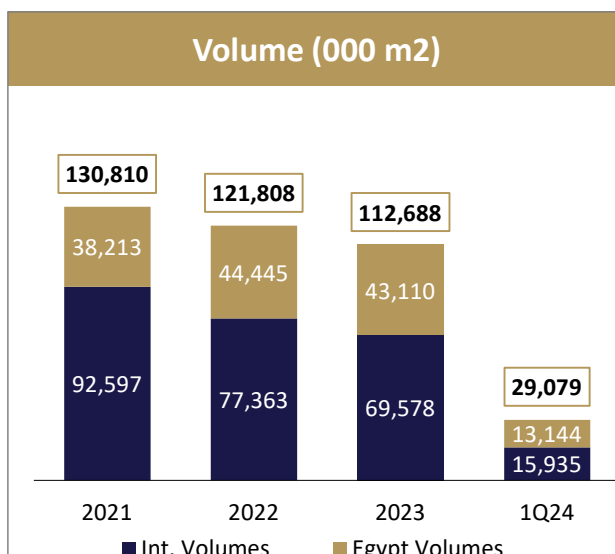
# 1Q24 Financial Performance

## Income Statement Highlights



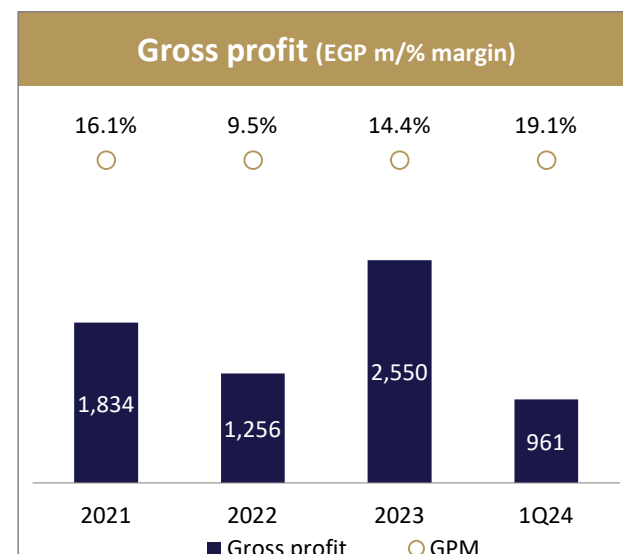
### Revenues

Total Revenues grew by 22% y-o-y to EGP 5.0 billion in 1Q24. International revenue, 58% of total revenues, increased by 12% y-o-y supported by local currency devaluation. While Egypt sales increased by 38% y-o-y supported by increase in ASP and volumes



### Volume

The overall volume witnessed a 6% y-o-y increase in 1Q24. International volume, specifically, were flat, primarily attributed to global logistical dynamics. Meanwhile, Egypt volumes increased by 15% in 1Q24.

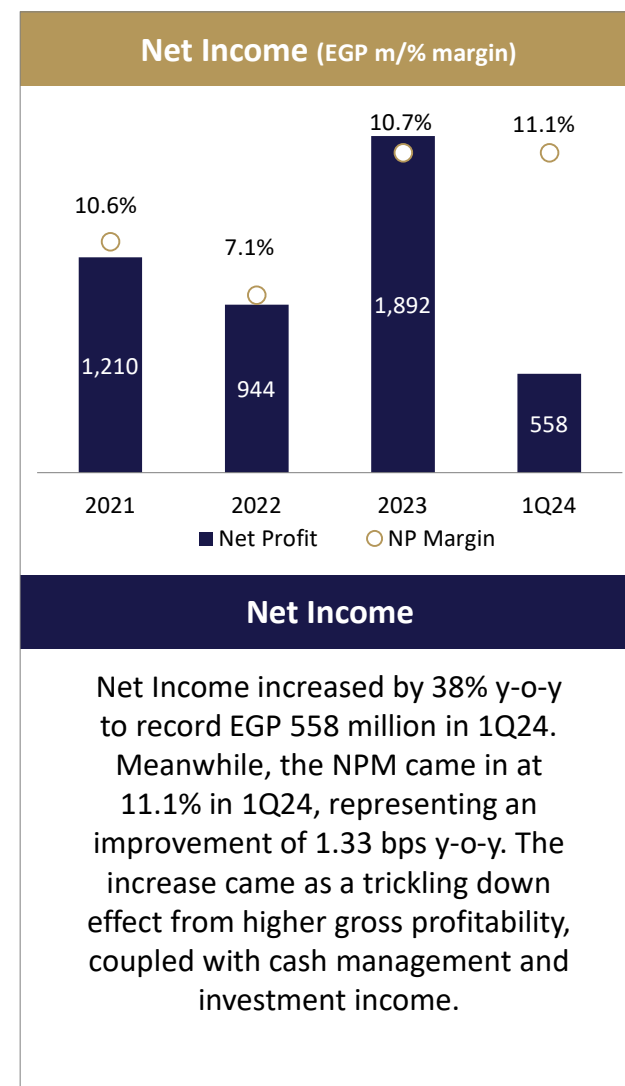
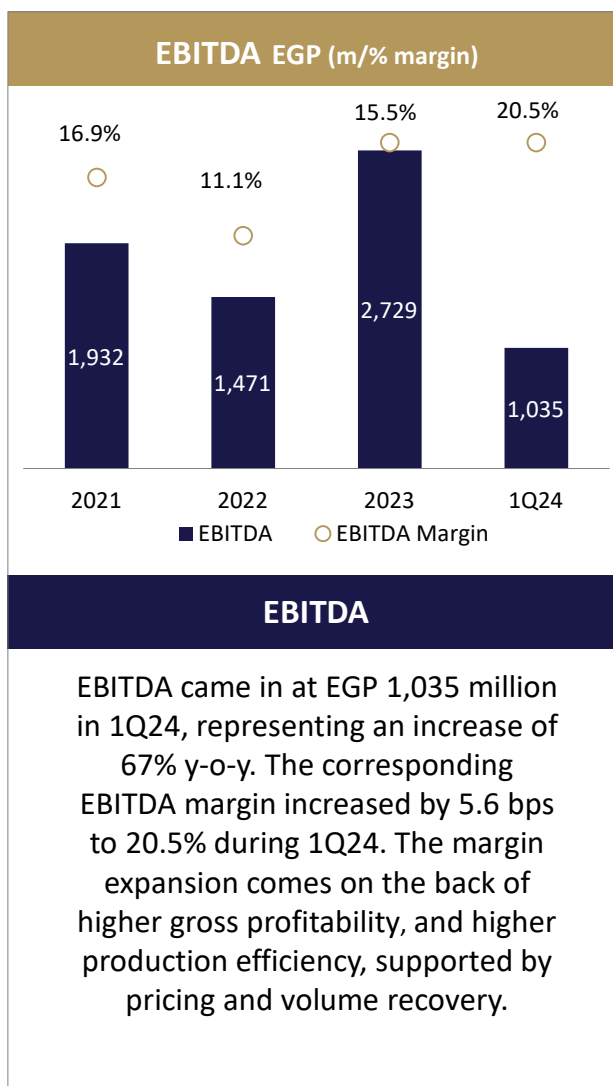
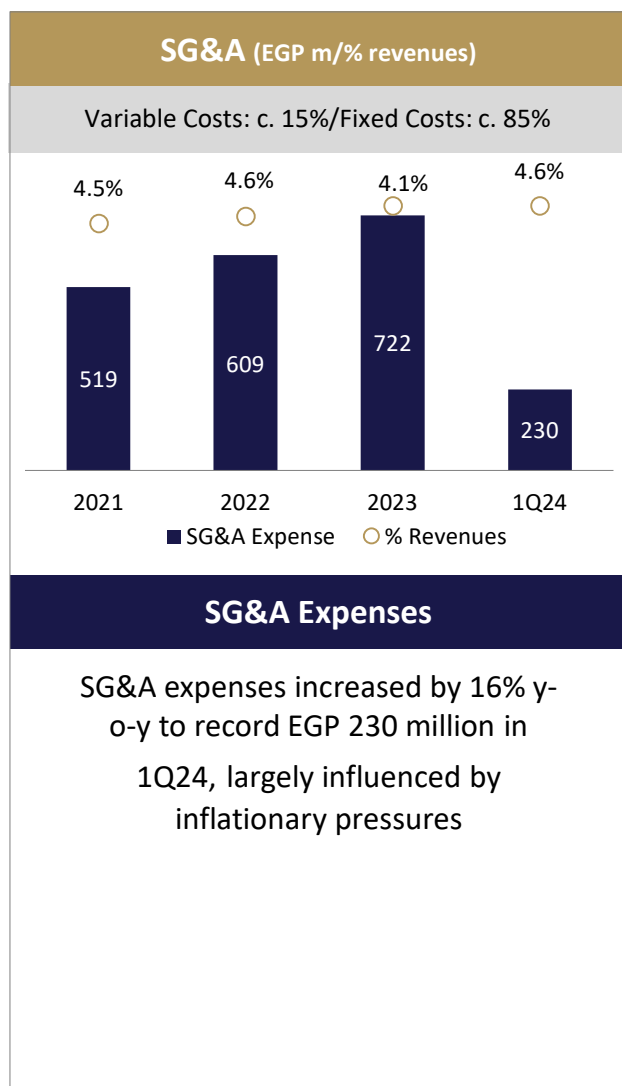


### Gross Profit

In 1Q24, Gross Profit surged by 71% y-o-y, reaching EGP 961 million. Simultaneously, the gross profit margin achieved all time high of 19.1%. This improvement in the gross profit margin can be attributed to the rise in average selling prices, low priced inventory and increase in local volume. Though we anticipate GP margin to normalize throughout 2024

# 1Q24 Financial Performance

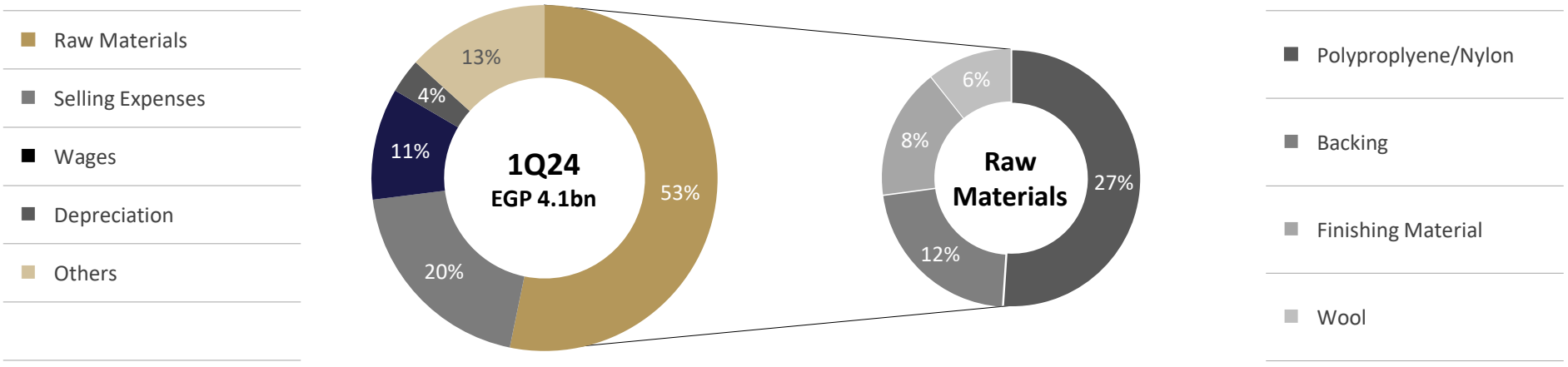
## Income Statement Highlights



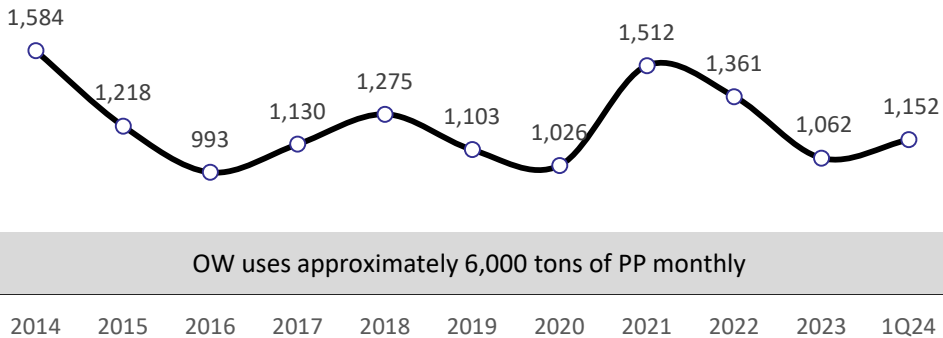
# 1Q24 Financial Performance

## Cost of Sales Analysis

### Cost of Sales Breakdown | 1Q24



### Polypropylene Prices | USD/ton

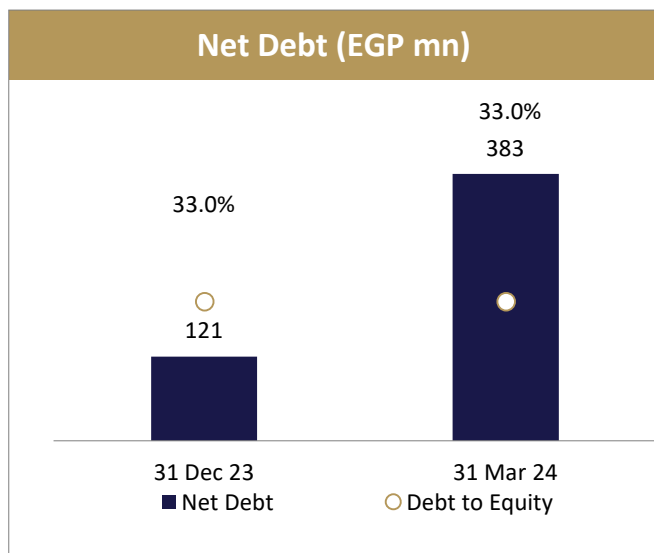


### Cost of Sales

Raw materials makes up the majority of cost of sales, contributing 53% to its total in 1Q24, with polypropylene purchases being its largest component. OW's COGS increased by 14% y-o-y to EGP 4,077 million in 1Q24, rising at a slower pace than the group's top line figure, as a result of lower priced raw material during the quarter. Raw material costs, which include wool, Polypropylene, backing and finishing materials, reached EGP 2.2 billion in 1Q24, compared to EGP 1.8 billion 1Q24, which is a 22% y-o-y increase.

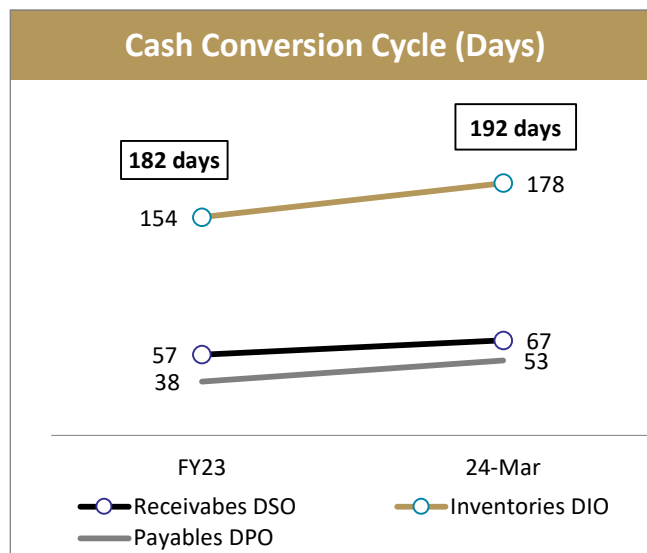
# 1Q24 Financial Performance

## Balance Sheet & Other Highlights



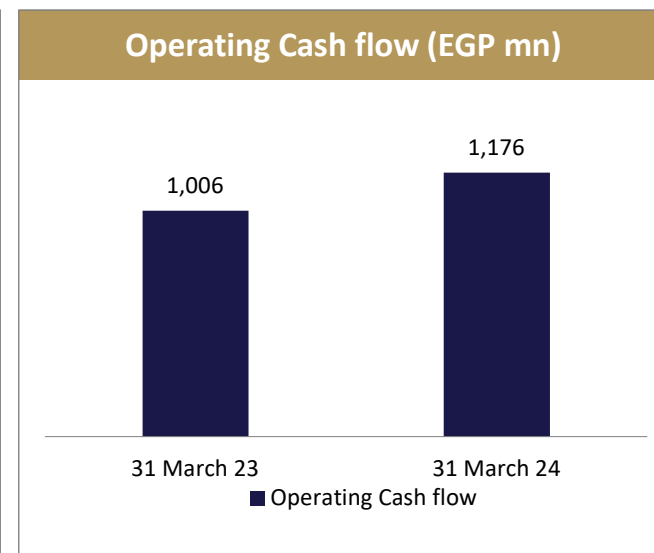
### Net Debt

The company's total debt as of 31 March 24 stood at EGP 6,455 million, up from EGP 4,677 million as at year-end 23. OW's cash balance stood at EGP 6,071 million versus EGP 4,556 million at year-end 23. The Company recorded a net debt of EGP 383 million compared to a net debt of EGP 121 million as Dec 23. OW debt breakdown is 79% USD, 18% Euro and 3% EGP.



### Cash Conversion Cycle

The Group's overall cash conversion cycle increased to 192 days in 1Q24. The increase is mainly attributed to increase in inventory DOH, as an impact of the devaluation, which will normalize through the year. Meanwhile, increase in payables DOH, as OW negotiated better payment terms with suppliers

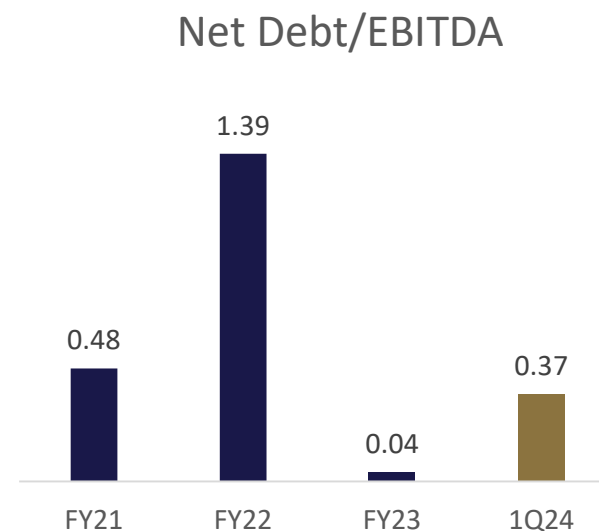
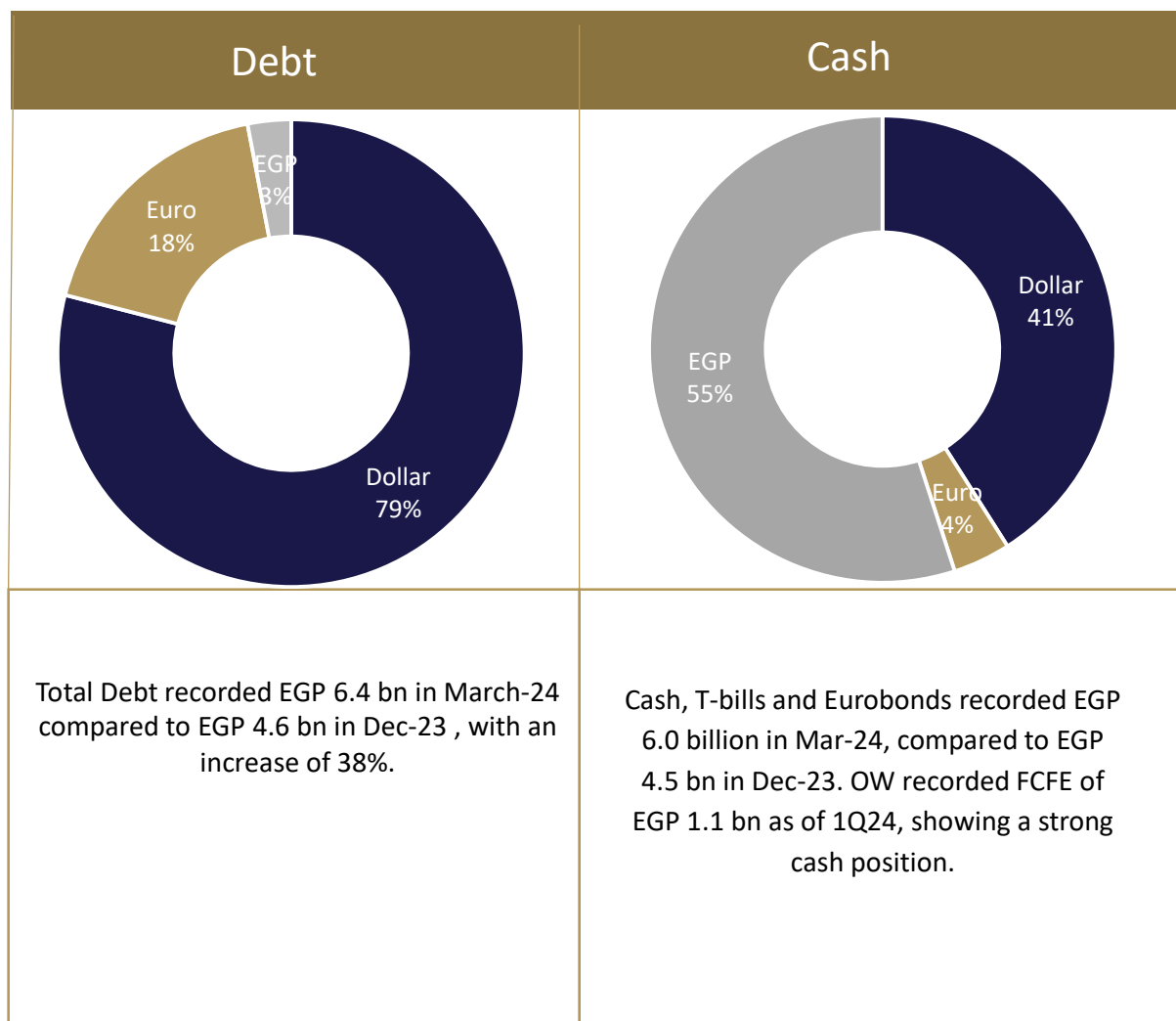


### Operating Cash flow

Cash flow from operating activities enhanced to EGP 1.1bn in March 24.

## 1Q24 Financial Performance

# Balance Sheet & Other Highlights



OW debt is mainly in USD, given its working capital needs. The Net debt/EBITDA ratio reached 0.37x in 2024.