



النساجون الشرقيون  
ORIENTAL WEAVERS



# Oriental Weavers Carpet 1H 2024 Results

28<sup>th</sup> May 2024

*The world's leading manufacturer of  
woven carpets*

# 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.

Forward-looking statements reflect the current views of the Company’s management (“Management”) on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company’s actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

## Contact

**Ms. Yasmine El Gohary**

Head of Investor Relations

T: +202 2268-5166 | [YElgohary@OrientalWeavers.com](mailto:YElgohary@OrientalWeavers.com)

# TABLE OF CONTENTS

**1H24 Operating Performance Highlights**

**4**

**1H24 Financial Overview**

**9**





النساجون الشرقيون  
ORIENTAL WEAVERS



**Operating  
Performance  
Highlights**

# 1H24 Operating Performance

Total Revenue + **28%** y-o-y

- International Markets + **21%** y-o-y
- Egypt + **43%** y-o-y

EBITDA of EGP **1,851** million + **45%** y-o-y

Margin of **17.2%** y-o-y

Adj EBITDA of EGP **2,122** million +**66%** y-o-y,

Margin of 19.7%

Net Income EGP **1,472** million ▲ 100%

Attrib. NI EGP **1,248** million ▲ 78%

NI Margin **13.7%**

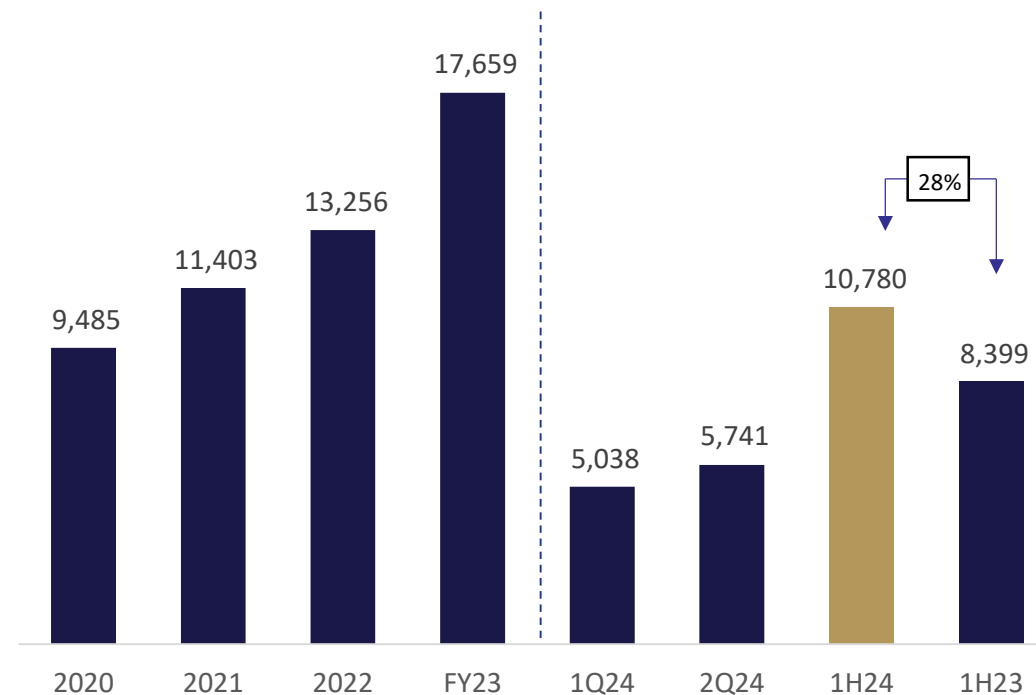
Adj. NI EGP **1,744** million ▲ 287%

Adj. Attrib. NI EGP **1,520** million ▲ 264%

Adj NI Margin **16.2%**

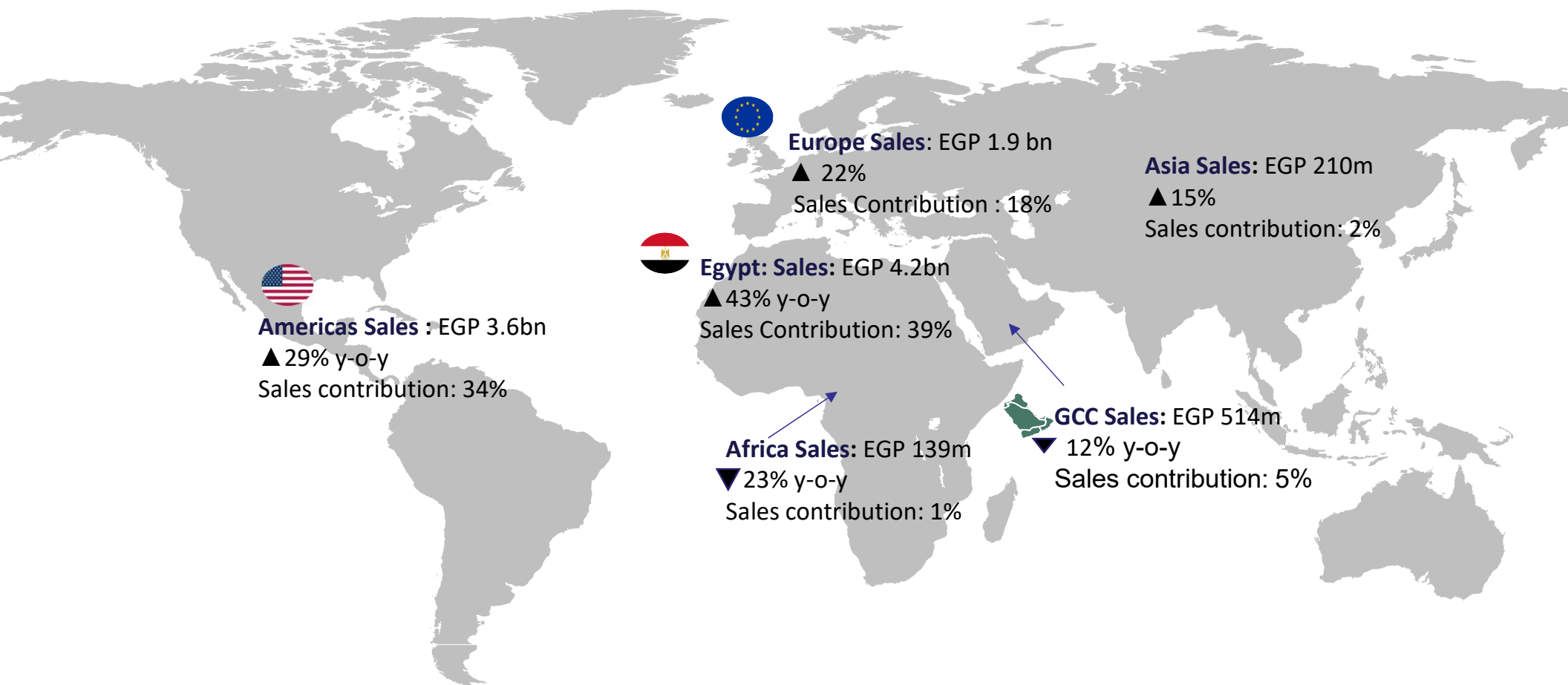
EPS EGP **1.88** ▲ **78%**

Total Revenue (EGP m)



\*Adjusted figures excludes OW America (OWA) inventory write down of EGP 271 million in 2Q24 and China facility divestment in 1H23 figures

# Diversified Footprint Provides a Unique Platform to Lead & Grow



**14%**

Global Woven Mrkt Share


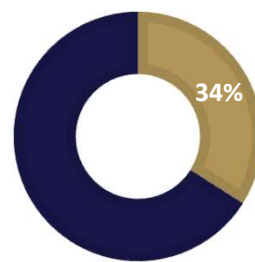
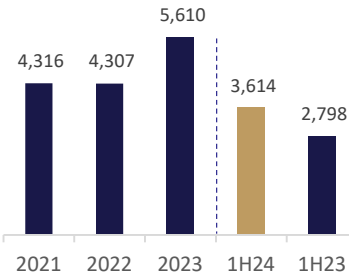


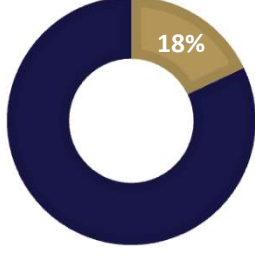
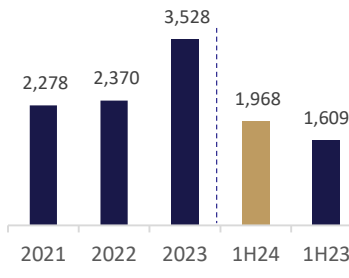


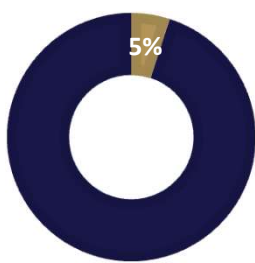
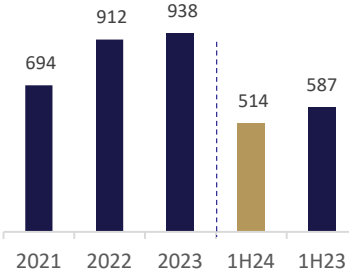

**118**

Export Countries

**187+**

Direct to consumer showrooms

# I. Key International Markets Performance

	Share in 2Q24 international Revenues	Revenues ( EGP 000's)	Remarks	Key Accounts
 Americas	 34%	 2021 2022 2023 1H24 1H23	<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 29% y-o-y</b> in 1H24</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	 18%	 2021 2022 2023 1H24 1H23	<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% global market share. As for OW, our focus centers on four key markets in Europe: the United Kingdom, Germany, France, and the Netherlands.</li> <li>-In 1H24, European sales experienced an 22% y-o-y growth. This growth was driven by a weaker EGP.</li> </ul>	
 GCC	 5%	 2021 2022 2023 1H24 1H23	<ul style="list-style-type: none"> <li>- Saudi contributes the biggest share in the GCC revenues, followed by the UAE</li> <li>- In 1H24, GCC revenues declined by 12% compared to 1H23, primarily as a result, overstocking in the Saudi market and the reintroduction of Turkish carpets further contributed to the decline.</li> </ul>	

## II. Egypt Performance By Segment (39% of revenue)

### Woven + 38% YoY

Revenues from the woven segment grew by 38% y-o-y 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 12%.

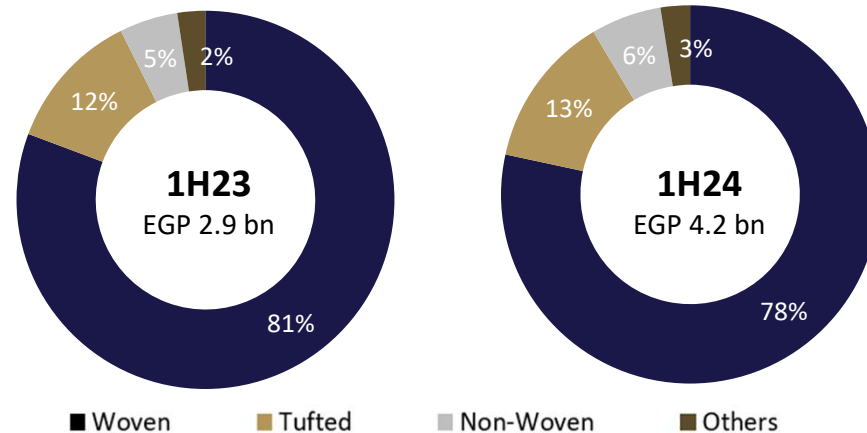
### Tufted +61% YoY

In 1H24, revenues from the tufted segment witnessed a substantial 61% y-o-y increase, reaching EGP 555 million. This growth can be attributed to an increase in the Average Selling Price (ASP) within the tufted segment, supported by 33% increase in volumes.

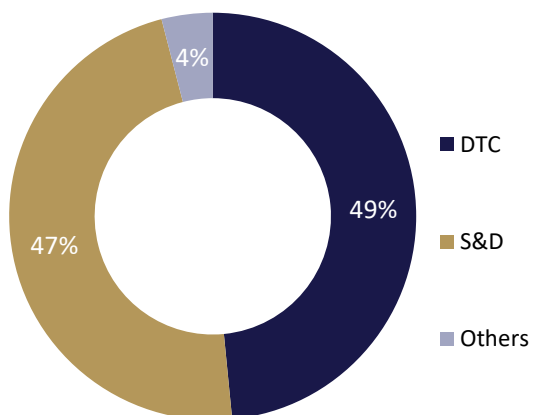
### Non-Woven +77% YoY

Revenues from OW's non-woven segment grew by 77% y-o-y to EGP 242 m in 1H24. Revenue growth was driven by increase in ASP, and 6% increase in volumes.

### Revenue Breakdown | 1H 2023/2024



### 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 48% of Egypt sales in 1H24, showed a 27% y-o-y increase, driven by price increases and OW's marketing campaigns and diversified product offering catering to all segments. Meanwhile, sales & distribution segment (S&D) revenues reported a 64% y-o-y increase. This surge was bolstered by heightened wholesale demand as they anticipated further price increases



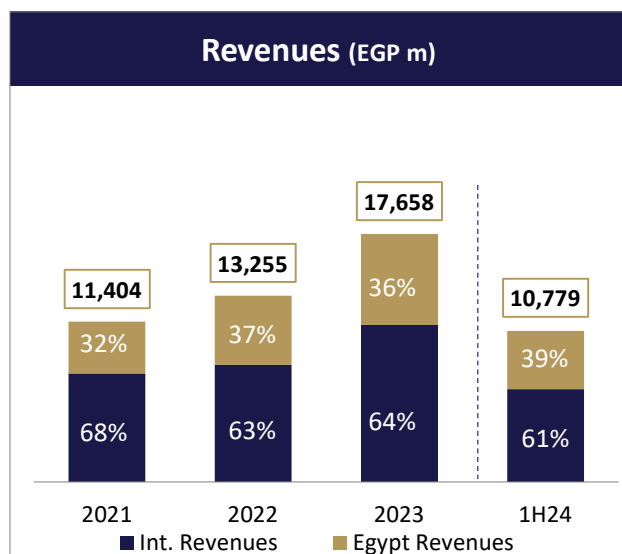




# Financial Overview

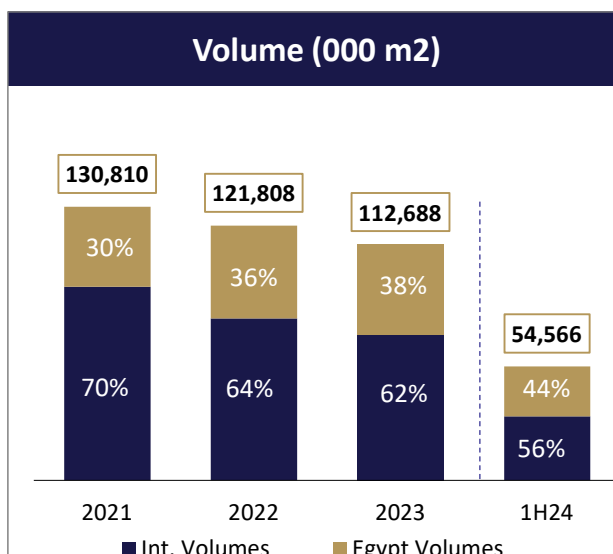
# 1H24 Financial Performance

## Income Statement Highlights



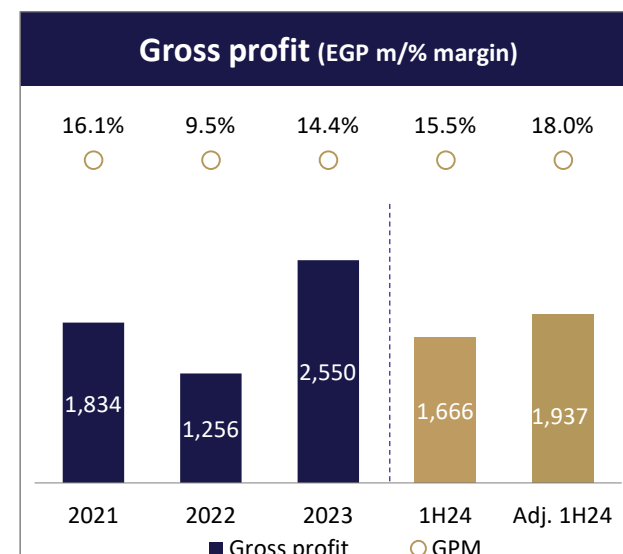
### Revenues

Total Revenues grew by 28% y-o-y to EGP 10.8 billion in 1H24. International revenue, 61% of total revenues, increased by 21% y-o-y supported by local currency devaluation. While Egypt sales increased by 43% y-o-y supported by increase in ASP and volumes



### Volume

The overall volume witnessed a 1% y-o-y decline in 1H24. In the international market, volumes declined by 11% due to softer global demand, supply-related challenges, focus on profitable segments, specifically in the tufted segment. Meanwhile, Egypt continues to be resilient, with volumes increasing by 14% in 1H24.

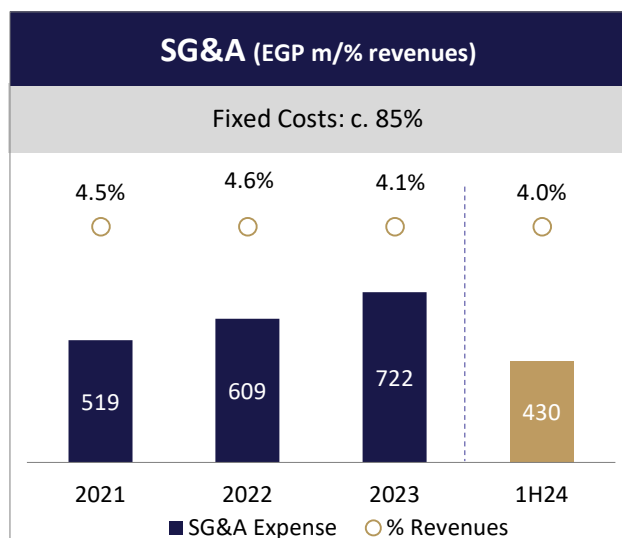


### Gross Profit

In 1H24, Gross Profit surged by 44% y-o-y, reaching EGP 1,666 million. Simultaneously, the gross profit margin achieved a 15.5%. This improvement in the gross profit margin can be attributed to the rise in average selling prices and increase in local volume. Additionally, OW recorded an inventory write-down of EGP 271 million as part of a strategic decision by management to clean up OWA inventory. Accordingly, adjusted GP is EGP 1,937 million, with an adjusted GP margin of 18.0%.

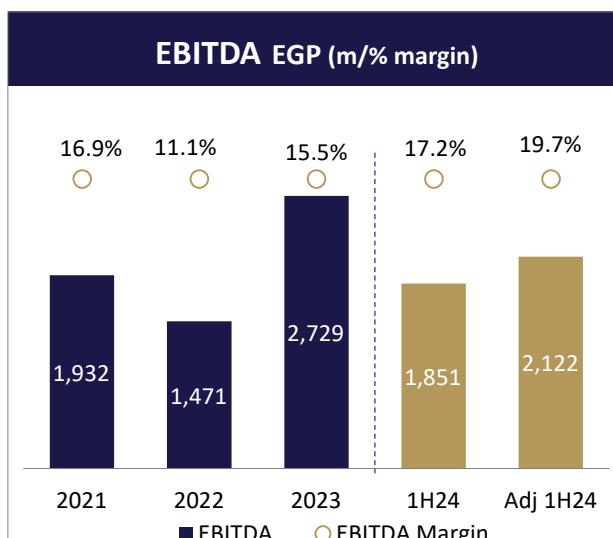
# 1H24 Financial Performance

## Income Statement Highlights



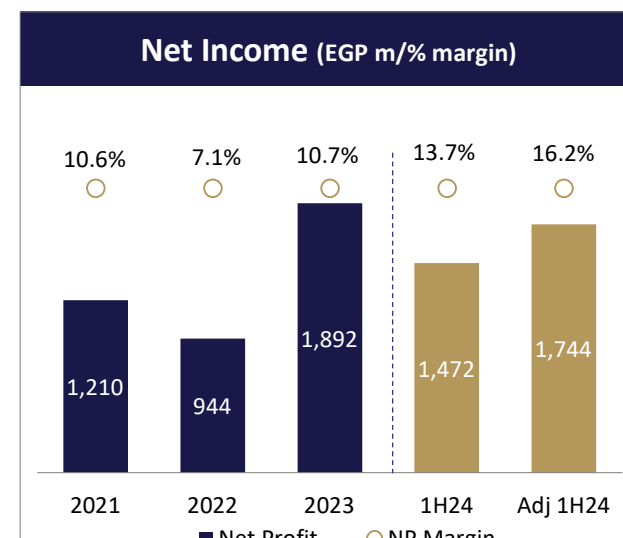
### SG&A Expenses

SG&A expenses increased by 25% y-o-y to record EGP 430 million in 1H24, largely influenced by inflationary pressures. Despite this rise, SG&A expenses as a percentage of total sales declined to 4.0%.



### EBITDA

EBITDA came in at EGP 1,851 million in 1H24, representing an increase of 45% y-o-y. The corresponding EBITDA margin reached 17.2%. Adjusted for the OWA inventory write-down, adj. EBITDA is EGP 2,122 million, resulting in an adjusted EBITDA margin of 19.7%.



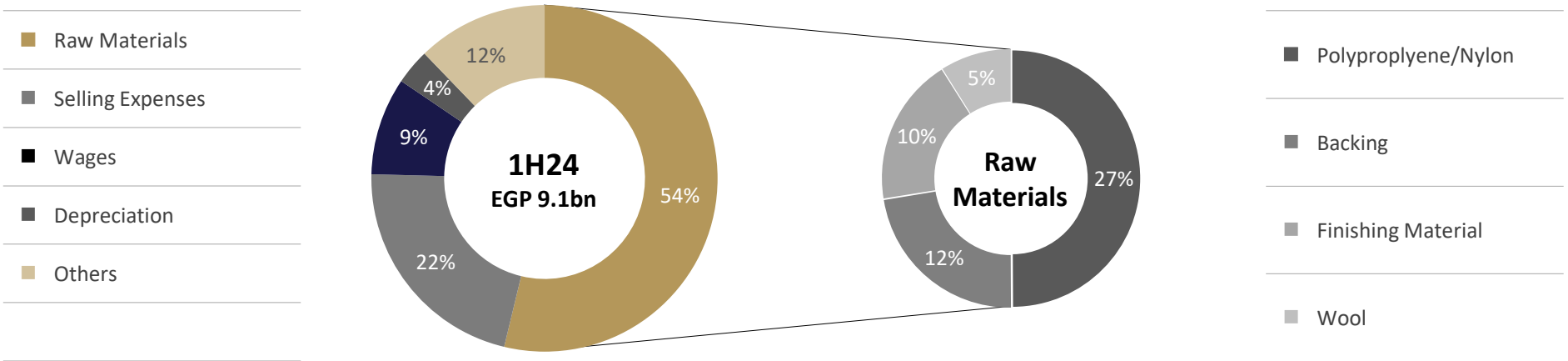
### Net Income

Net Income increased by 2X y-o-y to record EGP 1,472 million in 1H24. Meanwhile, the NPM came in at 13.7% in 1H24. Adjusted for the US inventory write-down, the adj. NI is EGP 1,744 million, which includes EGP 525 million in export rebates, reflecting a 287% increase.

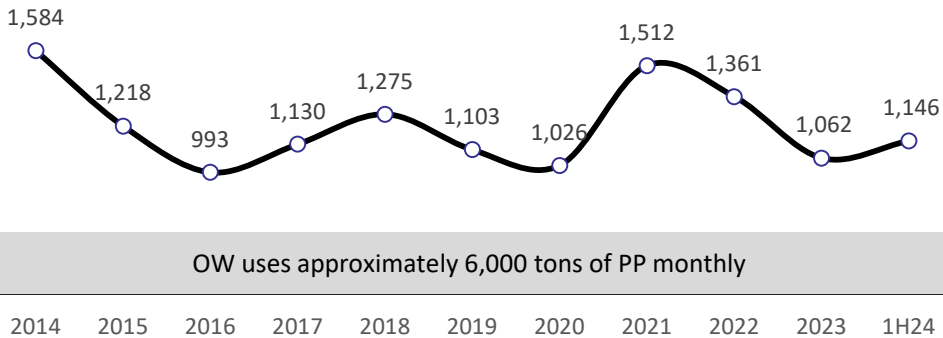
# 1H24 Financial Performance

## Cost of Sales Analysis

### Cost of Sales Breakdown | 1H24



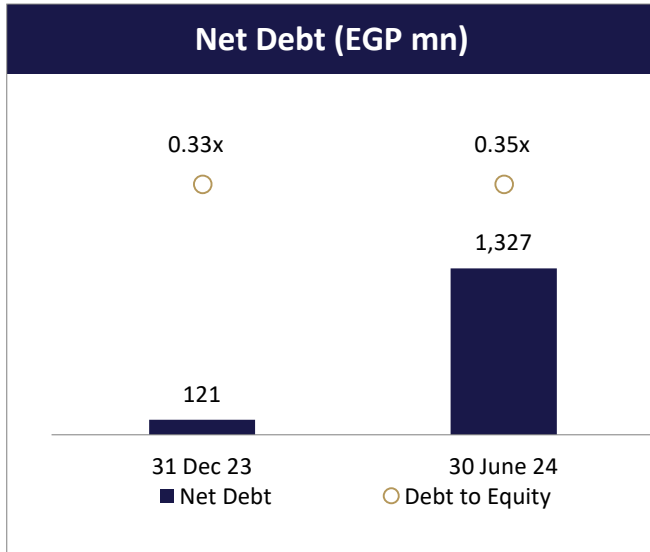
### Polypropylene Prices | USD/ton



### Cost of Sales

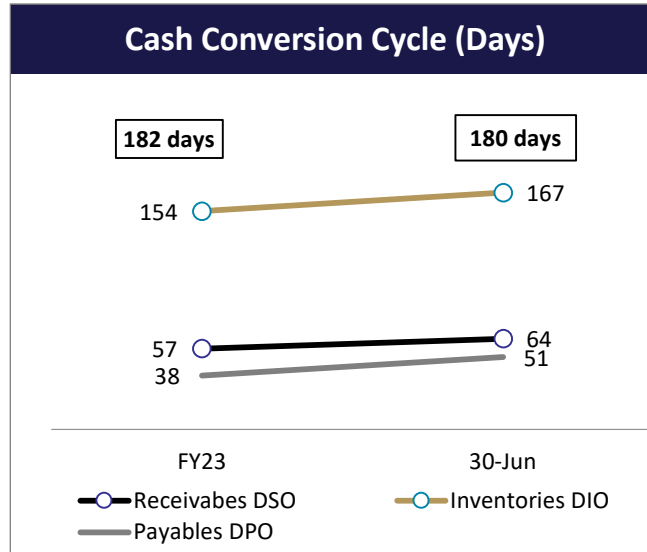
Raw materials makes up the majority of cost of sales, contributing 54% to its total in 1H24, with polypropylene purchases being its largest component. OW's COGS increased by 26% y-o-y to EGP 9,114 million in 1H24. Raw material costs, which include wool, Polypropylene, backing and finishing materials, reached EGP 4 bn in 1H24, compared to EGP 3 bn 1H23, which is a 33% y-o-y increase. OWA recorded an inventory write-down of EGP 271 million as part of management's inventory control strategy. Excluding this write-down, COGS would have been EGP 8,842 million, reflecting a 22% increase

## Balance Sheet & Other Highlights



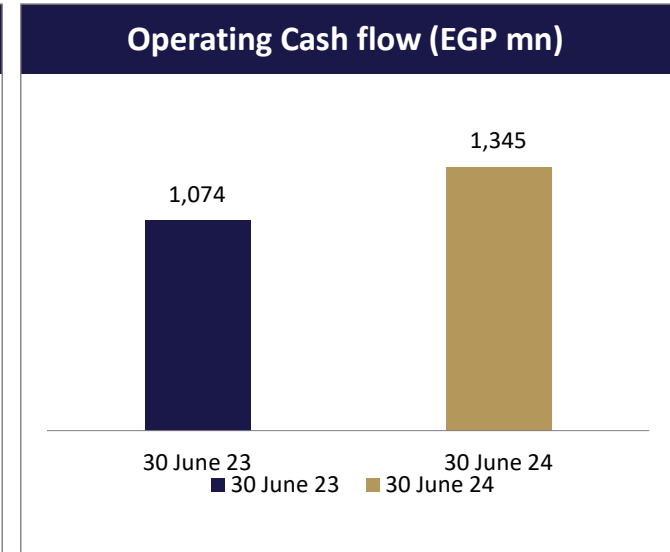
### Net Debt

The company's total debt as of 30 June 24 stood at EGP 6,717 million, up from EGP 4,677 million as at year-end 23, impacted by devaluation. OW's cash balance stood at EGP 5,390 million versus EGP 4,556 million at year-end 23. The Company recorded a net debt of EGP 1,327 million compared to a net debt of EGP 121 million as Dec 23, primary due to local currency devaluation impact.



### Cash Conversion Cycle

The Group's overall cash conversion cycle decreased to 180 days in 1H24. Inventory DOH increased to 167 due to devaluation impact. Meanwhile, the notable increase in payables DOH, as OW negotiated better payment terms with suppliers.

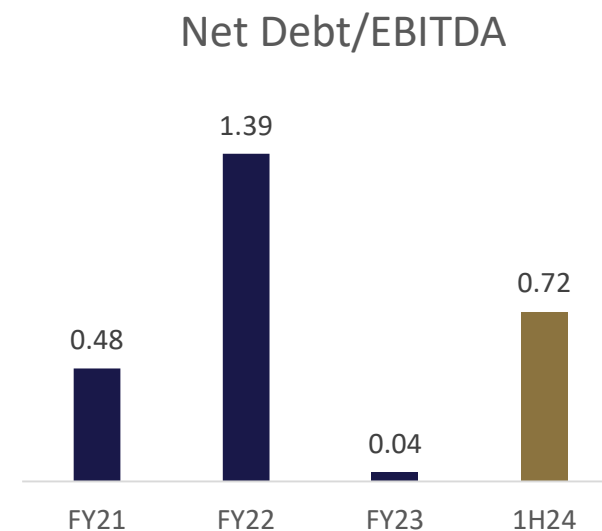
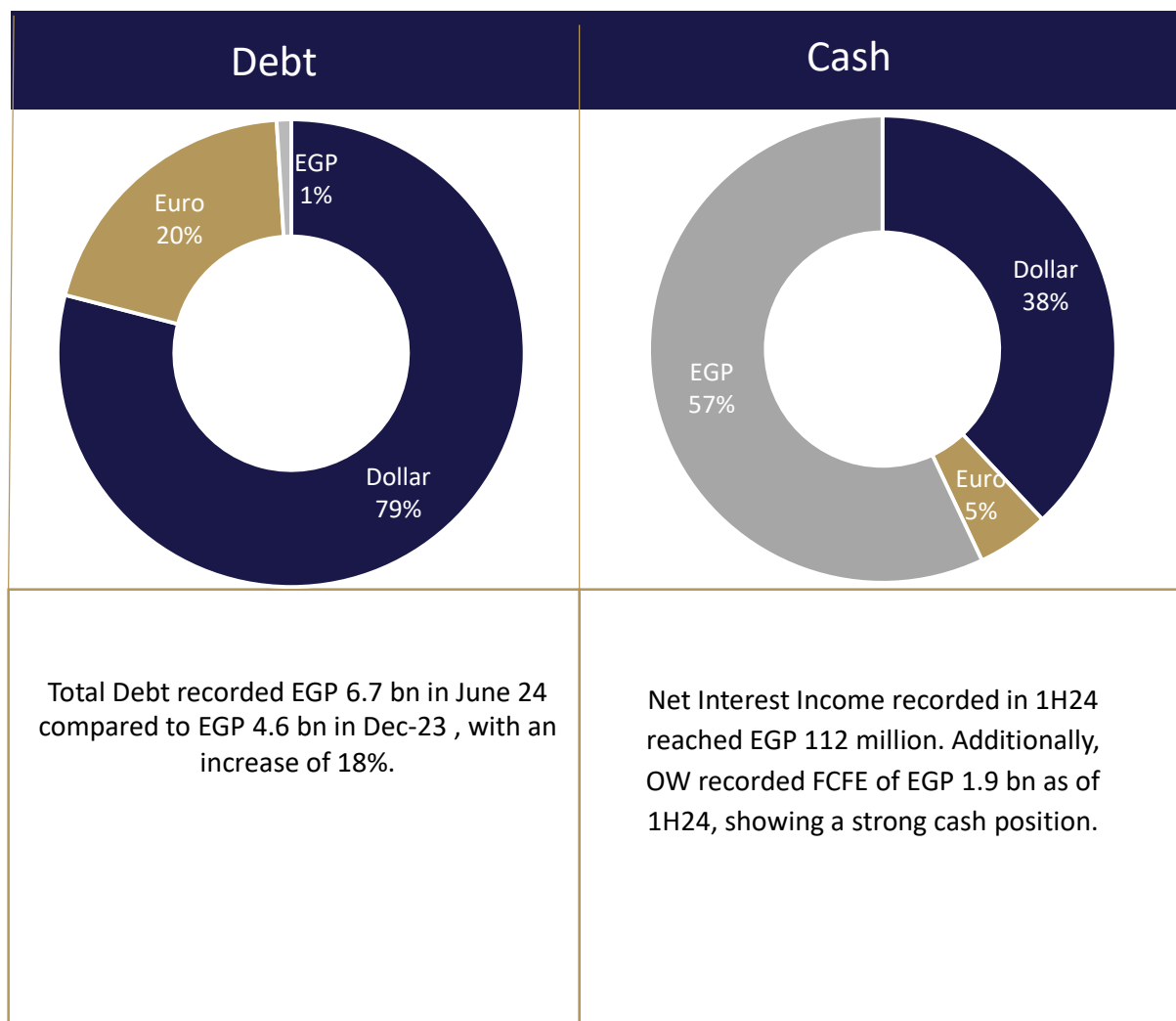


### Operating Cash flow

Cash flow from operating activities enhanced to EGP 1.3bn in June 24.

## 1H24 Financial Performance

# Balance Sheet & Other Highlights



OW debt is mainly in USD, given its working capital needs. The Net debt/EBITDA ratio reached 0.72x in June 2024.