



Oriental Weavers Carpet 9M 2024 Results

*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.

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Contact

Ms. Yasmine El Gohary

Head of Investor Relations

T: +202 2268-5166 | YElgohary@OrientalWeavers.com

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Operating Performance Highlights

9M24 Operating Performance

Total Revenue + **34%** y-o-y

- International Markets + **32%** y-o-y
- Egypt + **37%** y-o-y

EBITDA of EGP **2,851** million + **45%** y-o-y
Margin of **16.6%** y-o-y

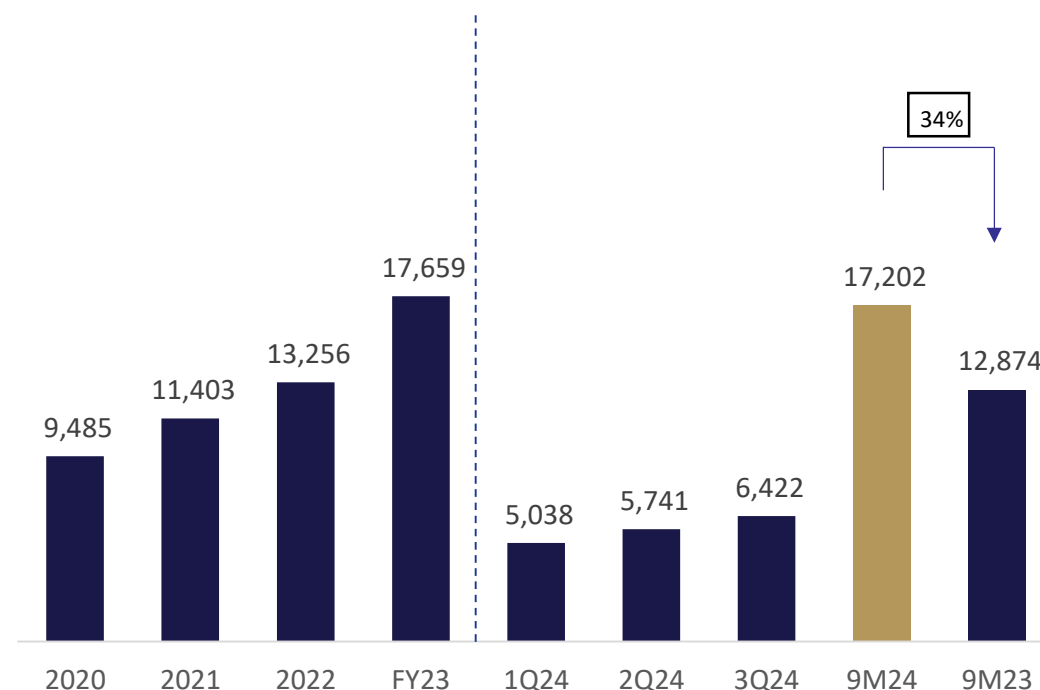
Adj EBITDA of EGP **3,123** million +**58%** y-o-y,
Margin of **18.2%**

Net Income EGP **2,173** million ▲ **57%**
Attrib. NI EGP **1,863** million ▲ **44%**
NI Margin **12.6%**

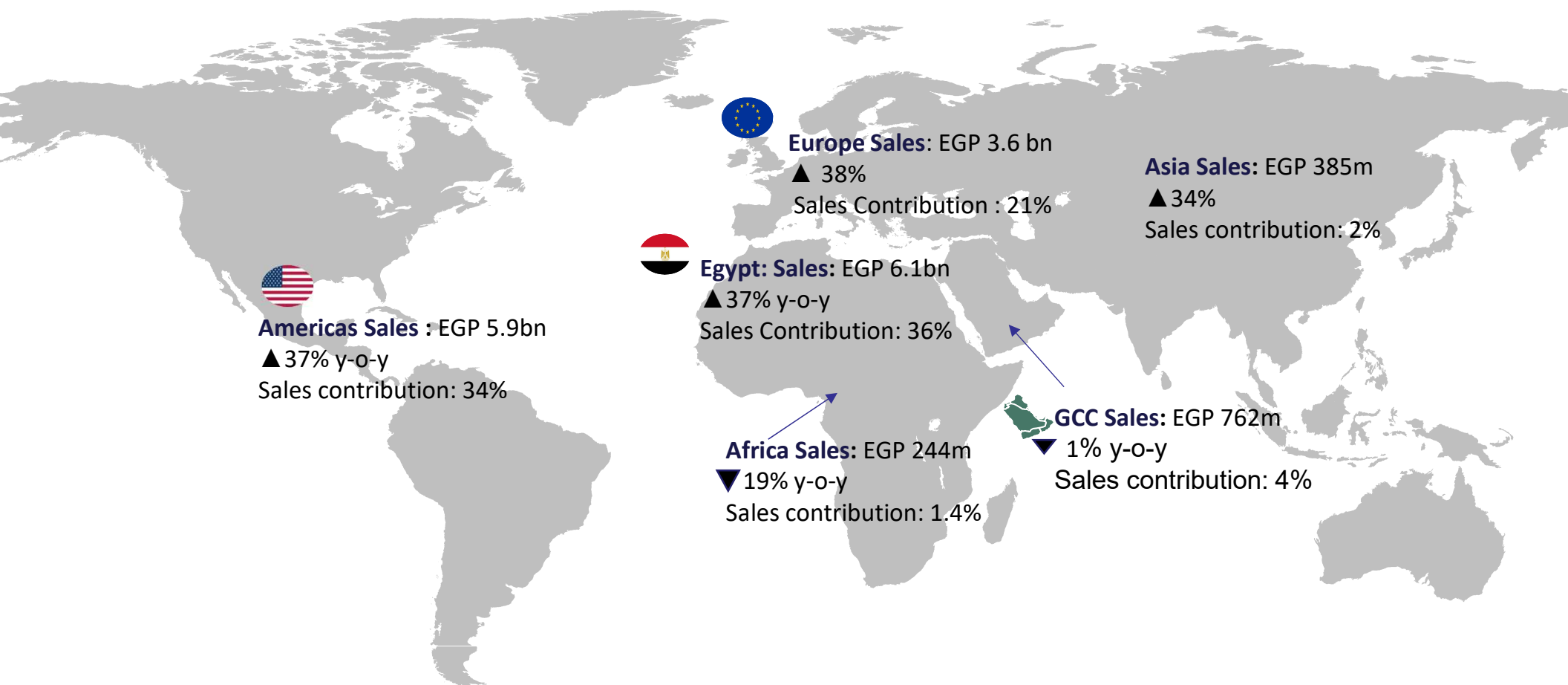
Adj. NI EGP **2,445** million ▲ **123%**
Adj. Attrib. NI EGP **2,135** million ▲ **111%**
Adj NI Margin **14.2%**

EPS EGP **2.80** ▲ **44%**

Total Revenue (EGP m)



Diversified Footprint Provides a Unique Platform to Lead & Grow



9%

Global Woven Mrkt
Share


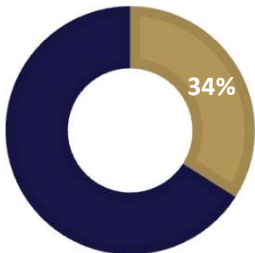
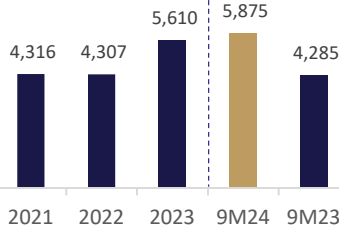





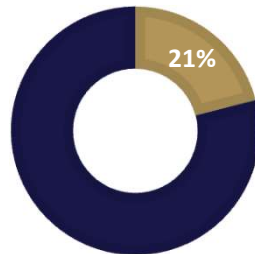
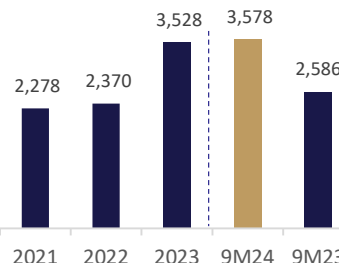






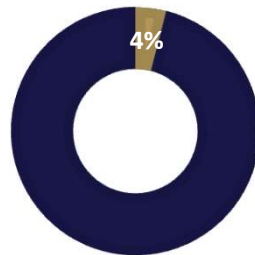
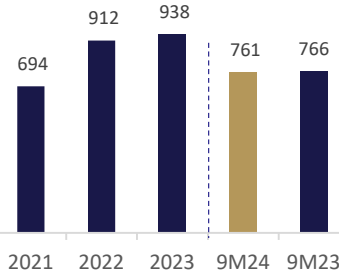


118

Export Countries

187+

Direct to consumer
showrooms

I. Key International Markets Performance

		Share in 9M24 Revenues	Revenues (EGP 000's)	Remarks	Key Accounts												
	Americas		 <table><tr><th>Year</th><th>Revenues (EGP 000's)</th></tr><tr><td>2021</td><td>4,316</td></tr><tr><td>2022</td><td>4,307</td></tr><tr><td>2023</td><td>5,610</td></tr><tr><td>9M24</td><td>5,875</td></tr><tr><td>9M23</td><td>4,285</td></tr></table>	Year	Revenues (EGP 000's)	2021	4,316	2022	4,307	2023	5,610	9M24	5,875	9M23	4,285	<ul style="list-style-type: none">- 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.- Sales to Americas increased by 37% y-o-y in 9M24-The U.S.-based subsidiary of Oriental Weavers, situated in Dalton, Georgia and established in 1991, integrates both manufacturing and sales operations.	   
Year	Revenues (EGP 000's)																
2021	4,316																
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	Europe		 <table><tr><th>Year</th><th>Revenues (EGP 000's)</th></tr><tr><td>2021</td><td>2,278</td></tr><tr><td>2022</td><td>2,370</td></tr><tr><td>2023</td><td>3,528</td></tr><tr><td>9M24</td><td>3,578</td></tr><tr><td>9M23</td><td>2,586</td></tr></table>	Year	Revenues (EGP 000's)	2021	2,278	2022	2,370	2023	3,528	9M24	3,578	9M23	2,586	<ul style="list-style-type: none">-The European market, ranking as the 2nd-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.-In 9M24, European sales experienced an 38% y-o-y growth.	    
Year	Revenues (EGP 000's)																
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	GCC		 <table><tr><th>Year</th><th>Revenues (EGP 000's)</th></tr><tr><td>2021</td><td>694</td></tr><tr><td>2022</td><td>912</td></tr><tr><td>2023</td><td>938</td></tr><tr><td>9M24</td><td>761</td></tr><tr><td>9M23</td><td>766</td></tr></table>	Year	Revenues (EGP 000's)	2021	694	2022	912	2023	938	9M24	761	9M23	766	<ul style="list-style-type: none">- Saudi contributes the biggest share in the GCC revenues, followed by the UAE- In 9M24, GCC revenues declined by 1% compared to 9M23	 
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2021	694																
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9M24	761																
9M23	766																

II. Egypt Performance By Segment (31% of revenue)

Woven

+ 33% YoY

Revenues from the woven segment grew by 33% y-o-y to EGP 4.8bn, it contributed the majority to overall revenue growth. The growth was attributed to an increase in ASP.

Tufted

+61% YoY

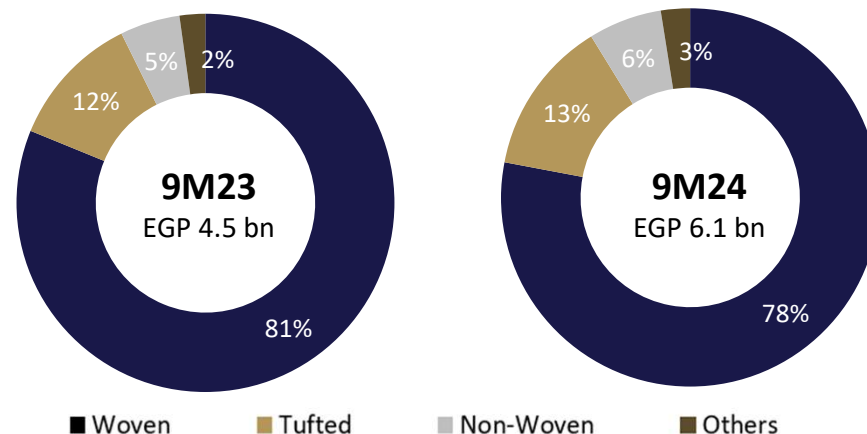
In 9M24, revenues from the tufted segment witnessed a substantial 61% y-o-y increase, reaching EGP 816 million. This growth can be attributed to an increase in the Average Selling Price (ASP) within the tufted segment, supported by 30% increase in volumes.

Non-Woven

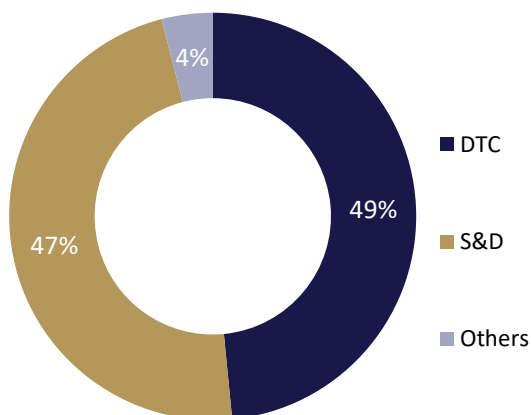
+68% YoY

Revenues from OW's non-woven segment grew by 68% y-o-y to EGP 384 m in 9M24 . Revenue growth was driven by increase in ASP , and 4% increase in volumes.

Revenue Breakdown | 9M 2023/2024



Distribution Channels



Given that 70% of our customers are newlyweds, this creates solid demand in our local presence. Direct to consumer segment (DTC) revenues, which constitute 49% of Egypt sales in 9M24, showed a 27% y-o-y increase, driven by price increases and our diversified product portfolio. In 4Q we will be focusing on seasonal promotions and consumer financing programs. Meanwhile, sales & distribution segment (S&D) revenues reported a 50% y-o-y increase. This surge was bolstered by heightened wholesale demand in 1H as they anticipated further price increases.



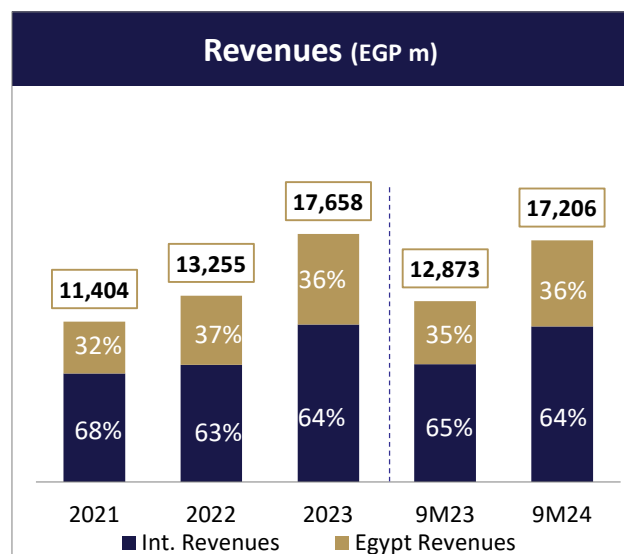
*4Q24 promotion

Financial Overview



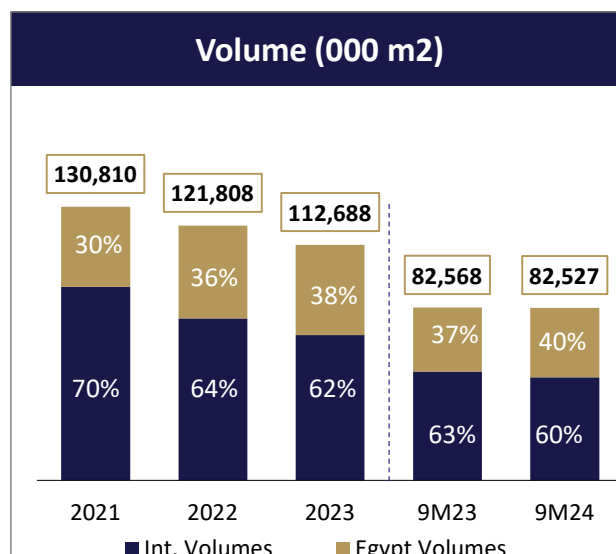
9M24 Financial Performance

Income Statement Highlights



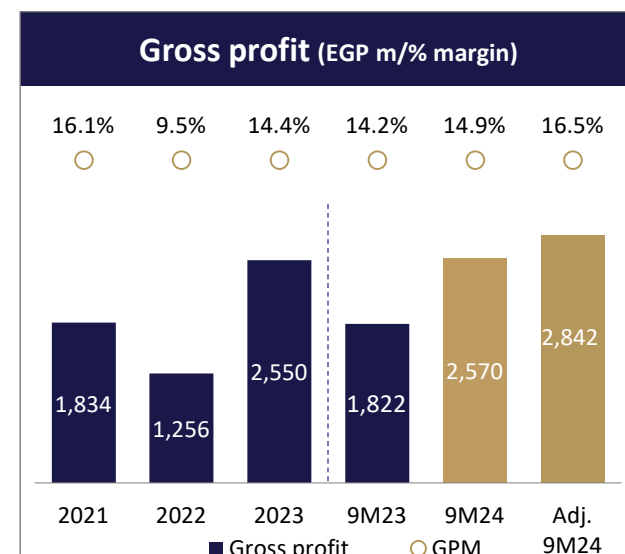
Revenues

Total Revenues grew by 34% y-o-y to EGP 17.2 billion in 9M24. International revenue, 64% of total revenues, increased by 32% y-o-y supported by local currency devaluation and volume recovery. While Egypt sales increased by 37% y-o-y supported by sequential price adjustments.



Volume

Our long-term volume declining trend is flattening. The overall volumes are down - 0.1% as of 9M24 vs 9M23. In the international market, volumes declined by 5% due to softer global demand, supply-related challenges. Meanwhile, Egypt volumes increasing by 9% in 9M24.

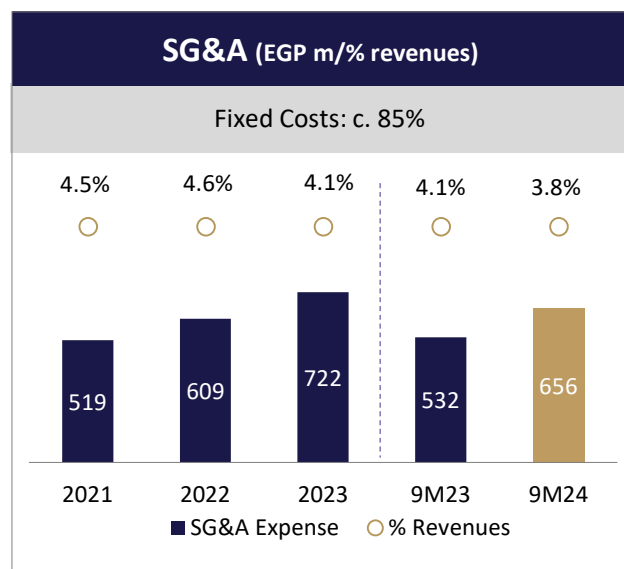


Gross Profit

In 9M24, Gross Profit surged by 41% y-o-y, reaching EGP 2,570 million. Simultaneously, the gross profit margin achieved a 14.9%. 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 2,842 million, with an adjusted GP margin of 16.5%.

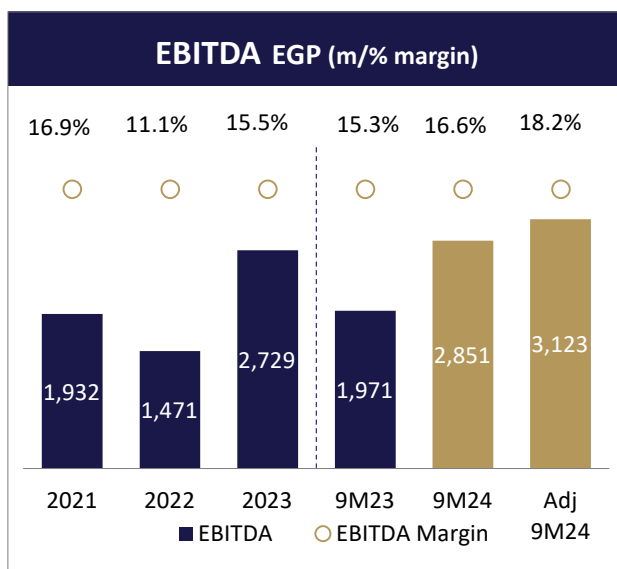
9M24 Financial Performance

Income Statement Highlights



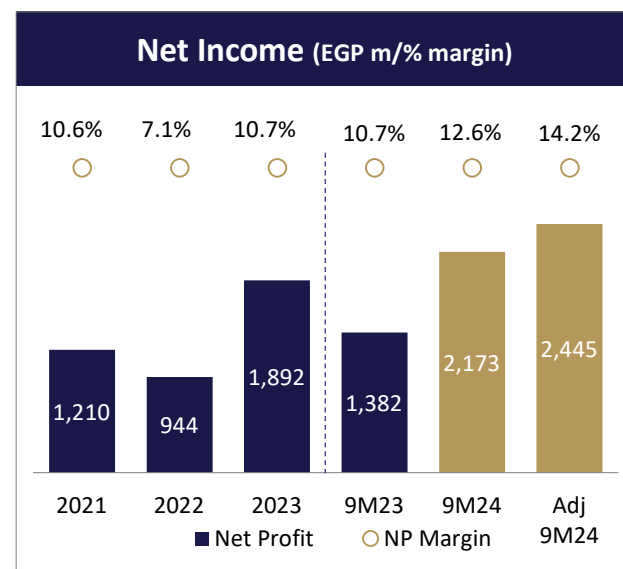
SG&A Expenses

SG&A expenses increased by 23% y-o-y to record EGP 656 million in 9M24, largely influenced by inflationary pressures. Despite this rise, SG&A expenses as a percentage of total sales declined to 3.8%.



EBITDA

EBITDA came in at EGP 2,851 million in 9M24, representing an increase of 45% y-o-y. The corresponding EBITDA margin reached 16.6%. Adjusted for the OWA inventory write-down, adj. EBITDA is EGP 3,123 million, resulting in an adjusted EBITDA margin of 18.2%.



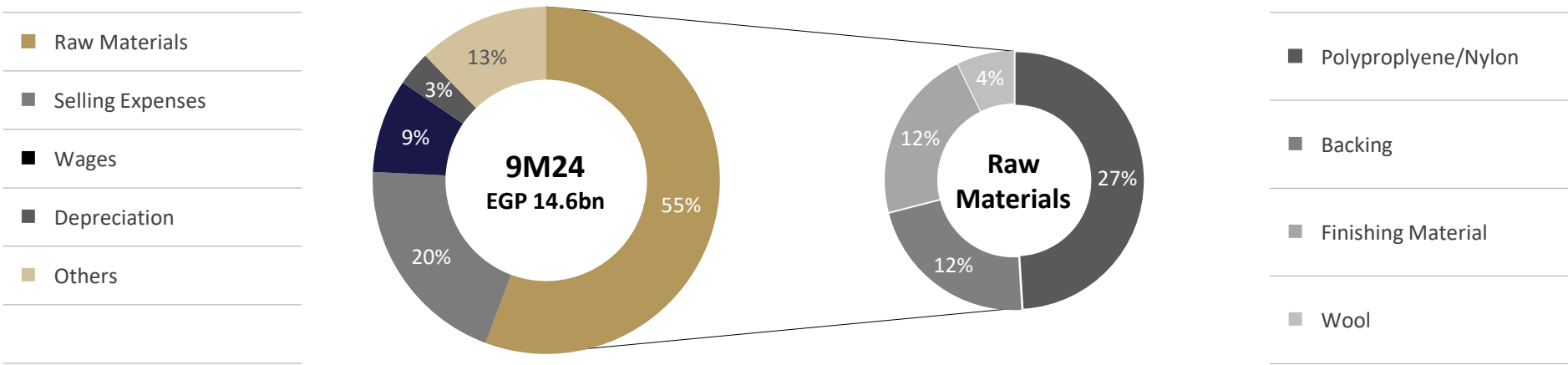
Net Income

Net Income increased by 57% y-o-y to record EGP 2,173 million in 9M24. Meanwhile, the NPM came in at 12.6% in 9M24. Adjusted for the US inventory write-down, the adj. NI is EGP 2,445 million, reflecting a 123% increase.

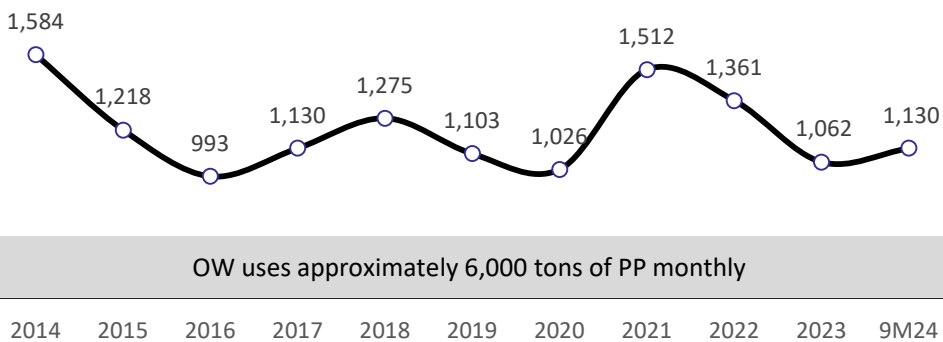
9M24 Financial Performance

Cost of Sales Analysis

Cost of Sales Breakdown | 9M24



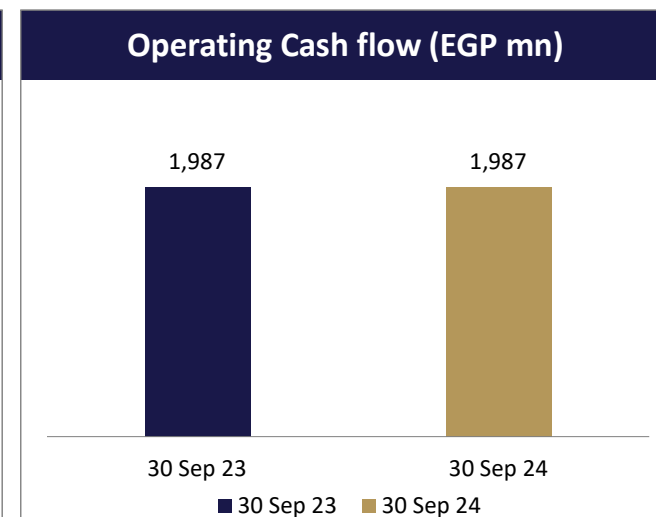
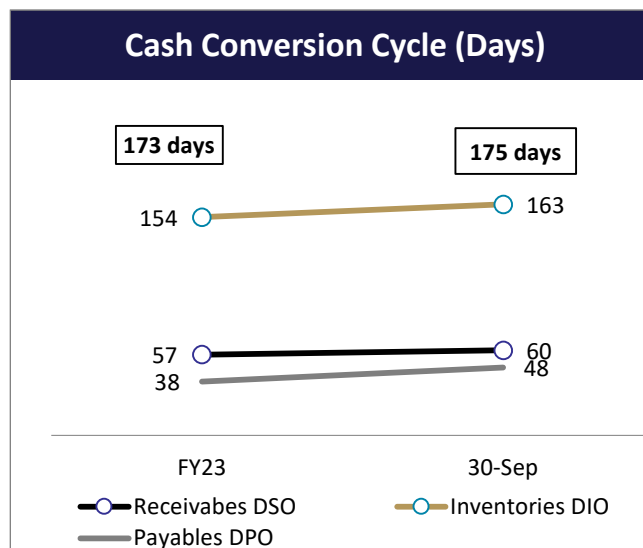
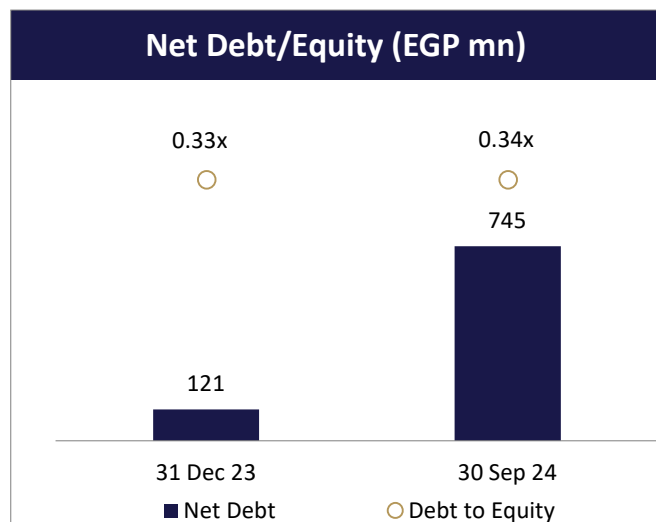
Polypropylene Prices | USD/ton



Cost of Sales

Raw materials makes up the majority of cost of sales, contributing 55% to its total in 9M24, with polypropylene purchases being its largest component. OW's COGS increased by 32% y-o-y to EGP 14,632 million in 9M24. Raw material costs, which include wool, Polypropylene, backing and finishing materials, reached EGP 8.1 bn in 9M24, compared to EGP 5.8 bn 9M23, which is a 40% y-o-y increase, due to local currency devaluation effect. OWA recorded an inventory write-down of EGP 271 million as part of management's inventory control strategy, which were recorded in the COGS figure.

Balance Sheet & Other Highlights



Net Debt/Equity

The company's total debt as of 30 Sep 24 stood at EGP 6,797 million, up from EGP 4,677 million as at year-end 23, impacted by devaluation. OW's cash balance stood at EGP 6,051 million versus EGP 4,556 million at year-end 23. The Company recorded a net debt of EGP 745 million compared to a net debt of EGP 121 million as Dec 23.

Cash Conversion Cycle

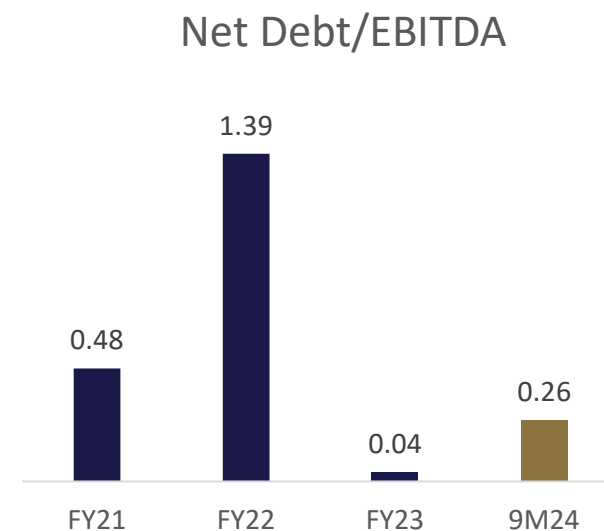
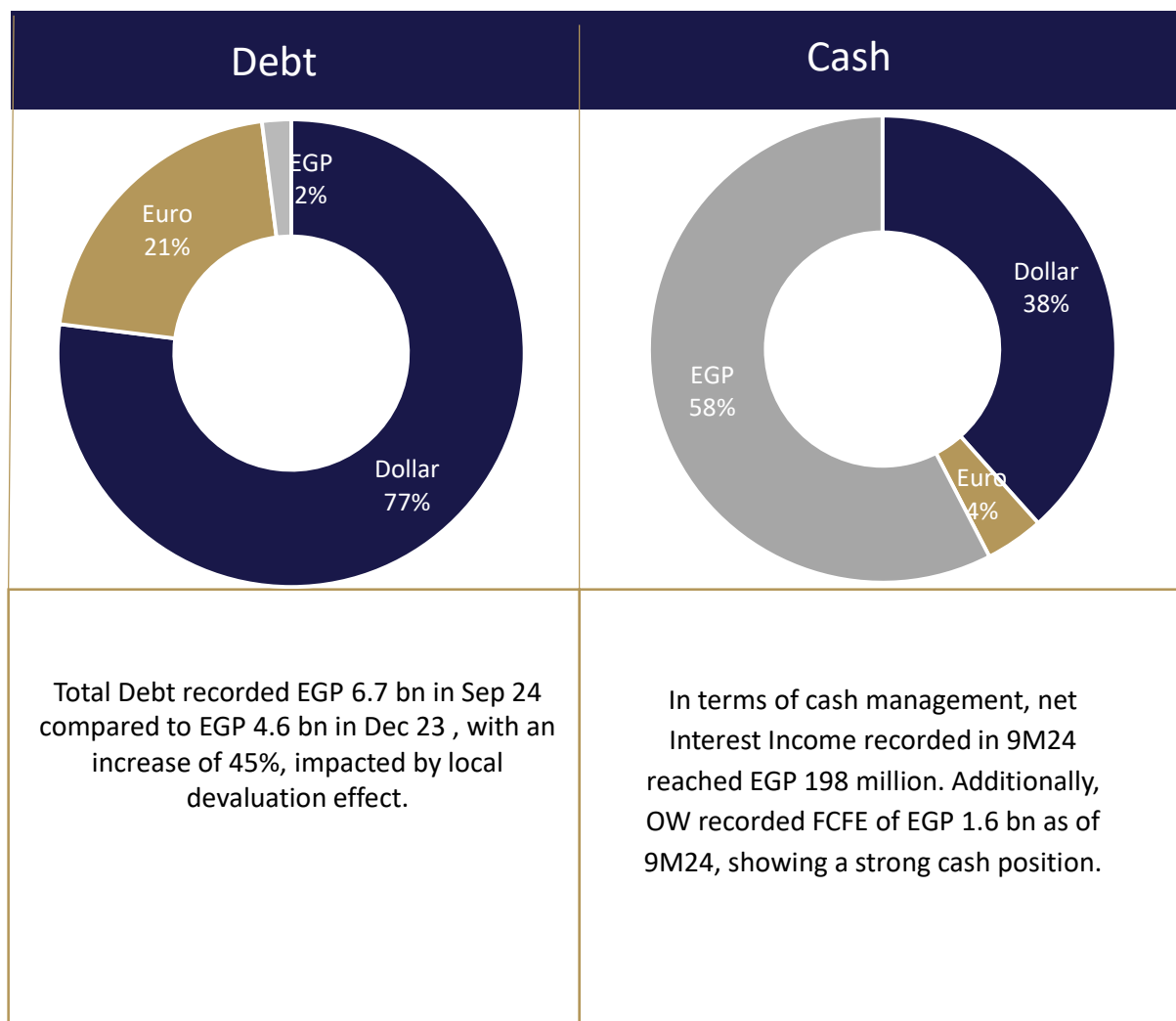
Working capital improvement not reflected in the CCC due to devaluation effect. The Group's overall CCC reached 175 days. (CCC improved from June 24 figure of 180 days). We witnessed an improvement in Payables DOH.

Operating Cash flow

Cash flow from operating activities remained flat vs comparable period

9M24 Financial Performance

Balance Sheet & Other Highlights



OW debt is mainly in USD, given its working capital needs. The Net debt/EBITDA ratio reached 0.26x in Sep 2024.