النساجون الشرقيون
ORIENTAL WEAVERS

2Q 2026 Earnings Release

Cairo, Egypt

11 Aug 2026

Oriental Weavers (Ticker: ORWE), the world's leading manufacturer of woven carpets, today announced its financial results for 2Q 2026.

Key Financial Highlights

In EGP	REVENUE	EBITDA	NET PROFIT	FCF
2Q	7.0 Billion ▲ 13% YoY	0.9 Billion 13.5% margin ▲ ▲ 18% YoY	1.1 Billion 16.1% margin ▲ ▲ 98% YoY	0.3 Billion 4.4% margin ▲ ▲ 9% YoY
1H	13.9 Billion ▲ 11% YoY	1.9 Billion 13.3% margin ▲ ▲ 11% YoY	2.0 Billion 14.5% margin ▲ ▲ 80% YoY	2.0 Billion 14.2% margin ▲ ▲ 245% YoY

1- Adjusted net profit EGP 1.7B after adjusting for EGP 0.3B net capital gains in 1H 2026
2- Net attributable profit EGP 1.9B in 1H 2026 and EGP 1B in 2Q 2026

Commenting on the second quarter, CEO Hazem Al Zifzaf stated:

We delivered another strong quarter, extending the momentum from 4Q 2025 and surpassing EGP 1 billion in net profit for the first time in a single quarter. The exceptional performance was achieved despite supply chain disruptions and raw material volatility arising from the US–Iran war, alongside continued global demand headwinds and subdued consumer spending in Egypt.

- Revenue increased 13% YoY to EGP 7.0B, driven by international market sales, particularly in the US and Europe, improved product mix, and pricing actions in Egypt.

- EBITDA increased 18% YoY to EGP 0.9B, supported by a 36% increase in gross profit, partly offset by higher SG&A expenses amid inflationary pressures.

- Net profit reached EGP 1.1B, up 98% YoY, while the margin expanded 6.9 pp to 16.1%, helped by accelerated export subsidy collections. Our continued focus on working capital discipline also delivered a 24-day YoY improvement in the CCC compared to 2Q 2025.

- We continued the resumption of investment that began in 2025, increasing capex focused on feeding lines, digitalization, H&S, equipment, and capacity.

Sales Highlights – 2Q 2026

International Sales
(70% of Revenue, 67% of Volume)

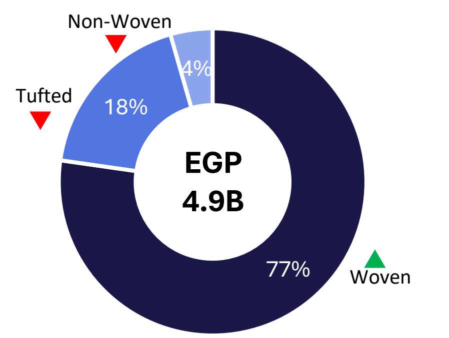
International performance remained positive by growing 17% YoY, despite softer global demand and weakness across Western markets, supported by targeted product offerings, disciplined pricing actions, and favorable foreign exchange dynamics.

Within the woven segment (OWE, OWA), revenue increased 22% YoY, driven by a 20% YoY increase in volumes as we continued to prioritize our most profitable markets. ASP also increased 2% YoY, due to currency depreciation.

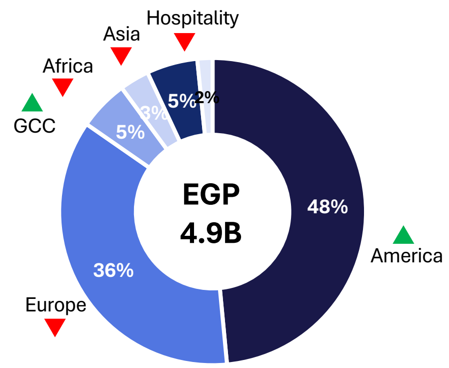
The tufted export segment (MAC) delivered 5% YoY revenue growth, driven by a 5% increase in volumes mainly across Western markets, while ASP remained broadly stable.

Meanwhile, the non-woven export segment (EFCO) Revenue declined 13% YoY, as volumes fell 23% YoY, primarily reflecting a market shift toward higher quality products, where capacity remained constrained. An improved product mix and currency depreciation drove a 13% YoY increase in ASP, partially offsetting the volume decline.

Segment Mix



Regional Mix



Egypt Sales
(30% of Revenue, 33% of Volume)

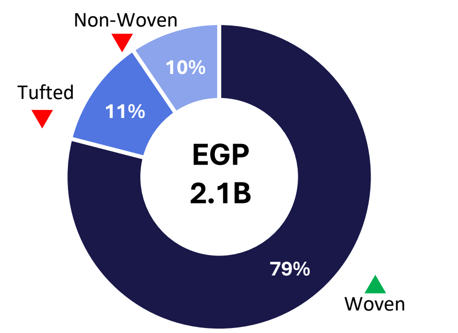
On the domestic front, revenue increased 4% YoY despite continued pressure on discretionary spending and intensifying competition, supported by pricing actions.

In the woven segment (OWE), revenue increased by 7% YoY despite a 15% decline in volumes. Our continued focus on profitable channels, an improved product mix, and disciplined pricing actions drove a 25% YoY increase in ASP.

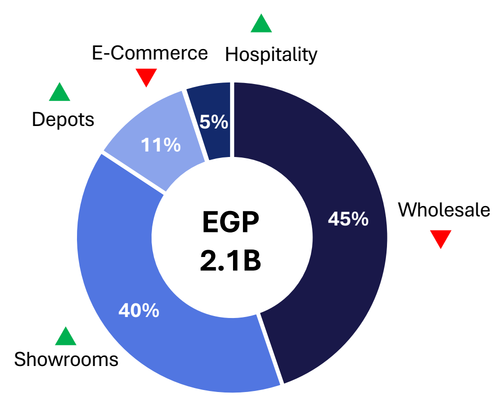
Within the tufted segment (MAC), volumes declined 3% YoY, broadly in line with domestic market trends. However, an improved product mix and pricing actions drove a 3% YoY increase in ASP, leaving revenue broadly flat YoY.

Meanwhile, the non-woven segment (EFCO) faced some challenges during the quarter. ASP increased 12% YoY, which met customer resistance and drove volumes down 17% YoY, resulting in a 7% YoY decline in revenue.

Segment Mix



Channel Mix



Financial Highlights – 2Q 2026

On the operational side, we remained firmly focused on cost discipline and cash generation, navigating persistent inflationary pressures and geopolitical uncertainty.

COGS reached EGP 6.0B with an increase of 10% YoY, mainly reflecting a 15% YoY increase in manufacturing overheads, driven by higher utilities and a 21% YoY increase in labor costs. Meanwhile, raw material costs increased by 4% YoY.

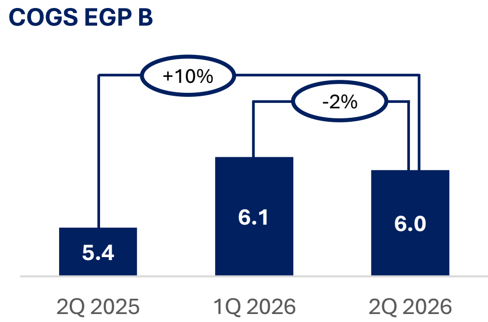
G&A expenses reached EGP 283M with an increase of 55% YoY, primarily reflecting higher salaries and consulting fees.

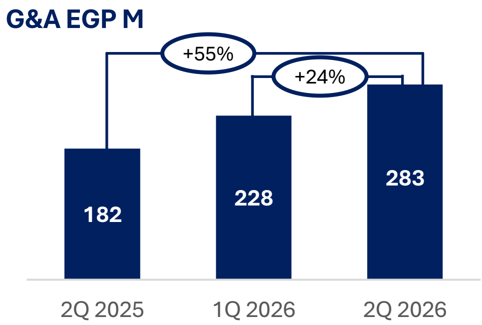
Meanwhile, we collected EGP 452M in export subsidies, including EGP 150M from backlog claims settled through government fee offsets and cash collections.

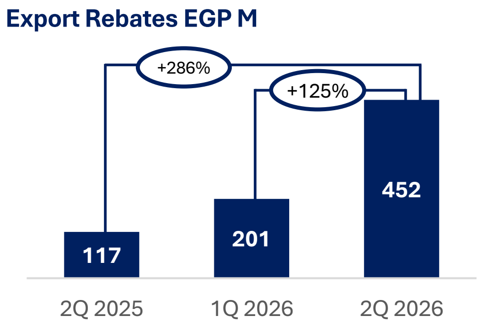
Capex spending reached EGP 364M with an increase of 88% YoY, equivalent to 5% of sales. Full-year Capex is expected to reach EGP 1.2B, with investments allocated to feeding lines, production capacity, H&S and digital transformation.

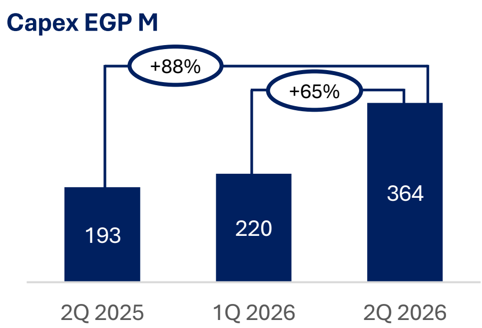
Free cash flow reached EGP 0.3B, up 9% YoY, driven by profitability and accelerated subsidy collections, despite higher Capex compared to 2Q 2025.

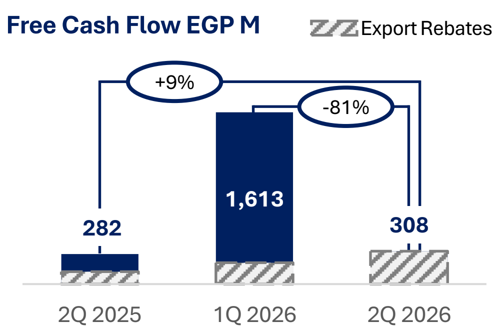
As a result, we significantly strengthened our balance sheet, moving from a net debt position of EGP 2.1B in 2Q 2025 to a net cash position of EGP 1.1B, providing greater financial flexibility to pursue future expansion opportunities.











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Financials – 2Q 2026

Income Statement Summary

EGP M	1H 2025	1H 2026	YoY	2Q 2025	1Q 2026	2Q 2026	QoQ	YoY
Revenue	12,565	13,901	10.6%	6,168	6,945	6,956	0.2%	12.8%
Gross Profit	1,510	1,846	22.2%	724	858	988	15.1%	36.3%
EBITDA	1,674	1,855	10.8%	800	914	941	2.9%	17.7%
Export Rebates	173	654	277.5%	117	201	452	124.6%	285.7%
Net Profit	1,117	2,014	80.4%	566	893	1,121	25.6%	98.2%
Adj. Net Profit*	1,110	1,707	53.8%	561	616	1,091	77.0%	94.3%
NAP**	1,044	1,907	82.7%	531	858	1,049	22.2%	97.7%
Margins:								
GPM (%)	12.0%	13.3%	1.3%	11.7%	12.4%	14.2%	1.8%	2.5%
EBITDA margin (%)	13.3%	13.3%	0.0%	13.0%	13.2%	13.5%	0.4%	0.6%
NPM (%)	8.9%	14.5%	5.6%	9.2%	12.9%	16.1%	3.3%	6.9%
Adj. NPM (%)*	8.8%	12.3%	3.4%	9.1%	8.9%	15.7%	6.8%	6.6%
NAP margin (%)	**8.3%**	**13.7%**	**5.4%**	**8.6%**	**12.4%**	**15.1%**	**2.7%**	**6.5%**

** Adjusted net profit in 1H 2026 is EGP 1.7B after adjusting for EGP 0.3B net capital gains.*
***NAP: Net Attributable Profit*

Balance Sheet Summary

EGP M	1H 2025	1H 2026	YoY
Inventory	10,153	11,653	14.8%
Cash and Cash Equivalent	4,633	6,868	48.3%
Receivables	4,535	4,374	(3.6%)
Others	3,642	3,868	6.2%
Current Assets	22,962	26,763	16.6%
Fixed Assets	8,146	7,931	(2.6%)
Others	1,970	2,187	11.0%
Non-Current Assets	10,116	10,118	0.0%
Total Assets	**33,079**	**36,881**	**11.5%**
Bank Facilities	6,613	7,666	15.9%
Payables	2,793	3,824	36.9%
Others	2,287	3,134	37.0%
Current Liabilities	11,693	14,625	25.1%
Non-Current Liabilities	553	485	(12.3%)
Total Liabilities	**12,246**	**15,110**	**23.4%**
Total Shareholders' Equity	**20,832**	**21,771**	**4.5%**

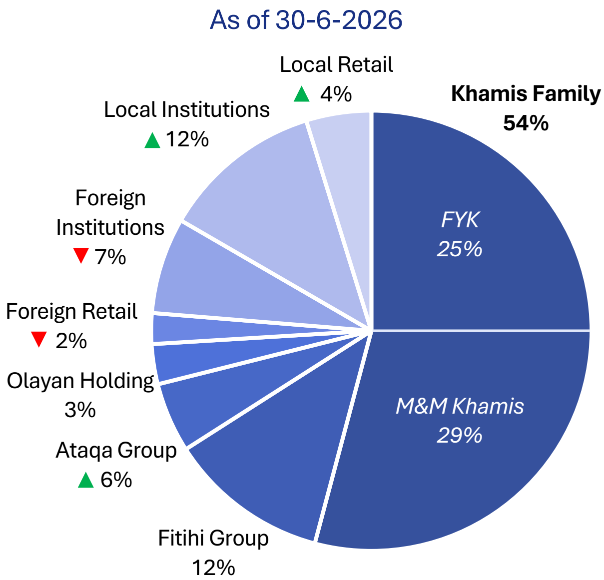
Cash Flow Summary

EGP M	1H 2025	1H 2026	YoY
Net Cash Provided by Operating Activities	950	2,506	163.9%
Net Cash Used in Investing Activities	14	(310)	(2382.3%)
Net Cash Used in Financing Activities	(979)	(83)	(91.5%)
Net Change in Cash & Cash Equivalents	**(16)**	**2,113**	**(13617.6%)**
Beginning of Period Cash	4,233	4,844	14.4%
Translation Differences of Foreign Entities	(79)	87	(210.8%)
End of Period Cash	**4,138**	**7,044**	**70.2%**

About Oriental Weavers:

Oriental Weavers is a global player in machine-woven rugs and carpets; the company is renowned for superior product design and quality, as well as technological innovation. Today, the company is one of the largest producers of machine-made woven rugs in the world. It is management's vision to build a state-of-the-art, internationally competitive carpet and home textile company, characterized by a sharp focus on its customers and driven by marketing- and export-oriented strategies.

Shareholders' Structure - YoY



Forward-Looking Statement:

Certain information contained in this document consists of forward-looking statements reflecting the current view of the Company with respect to future events, and is therefore subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including worldwide economic trends, the economic and political climate of Egypt and the Middle East, and changes in business strategy as well as various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in such forward-looking statements. Recipients of this document are cautioned not to place any reliance on these forward-looking statements. The Company undertakes no obligation to republish revised forward-looking statements to reflect changed events or circumstances.

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