



**C O N C R E T E**

**F A S H I O N G R O U P**

Offering customers World-Class Quality and Global  
Competitiveness for more than 100 years



# Overview

Publicly listed company with a

39%

free float and the rest is owned by Arafa Family.

Free zone company



Financials, Stock traded in USD.

5%

of Egypt's total garment exports.

80%

Exports Business

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# Overview

+8,000  
**Employees.**



**Manufacturing home for  
luxury garments.**

**Homegrown luxury brand  
"CONCRETE" with**

+45

**retail stores  
across Egypt.**

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## Ermenegildo Zegna

50:50

**Partnership With Zegna for shirt  
factory in Beni Suef from 2012 till 2020**

## PAL ZILERI

35%

**Owners Of Pal Zileri along with Mayhoola  
the owner of Valentino and Balmain from  
2008 till 2016**

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**We manufacture for**

Massimo Dutti Brooks Brothers

RALPH  LAUREN

UNITED 

RAMSEY

Calvin Klein

JOSEPH  ABBOUD

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JOOP!

MANGO

Ermenegildo Zegna

 the magic of  
macy's

LAUREN  
RALPH LAUREN

VRG  
VISTULA RETAIL GROUP

BOGGI  
M I L A N O

TOMMY  HILFIGER

TED BAKER  
LONDON

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# Egypt's Unique Value Proposition

## Proximity to End Markets

- Egypt's location allows a **competitive lead time** on shipments and relatively **low transportation costs**.
- Geographical location of Egypt enables Concrete Fashion Group to **respond quickly** to seasonal shifts “market trends” and consumer taste.

## Low-Cost Environment

- Egypt offers a **sizeable young labor force**, with over 50% of the population under the age of 30, at a relatively low cost compared to other emerging markets that operate in the labor-intensive Apparel & Tailoring segment.
- Costs of inputs for **infrastructure** and **utilities** are among the least expensive in the region.



Egypt offers **advantages** including **proximity & low-cost to end markets** and a basket of **beneficial trade agreements**



## Egypt's Unique Value Proposition

### Preferential Trade Agreements

- A number of preferential trade agreements — including agreements with the United States, the European Union, COMESA, Turkey and the GCC countries — position Egypt as a **prominent hub for export-oriented companies.**

### Government Incentive Programs

- Egypt's free zones offer **tax incentives to export-oriented manufacturers;** CFG's manufacturing facilities in free zone areas allow it to benefit from these incentives (**Duty free zones**).
- The government maintains the long-encouraged export activity through offering **incentives programs** in support of **export-oriented manufacturers.**



Egypt offers **advantages** including **proximity & low-cost to end markets** and a basket of **beneficial trade agreements**



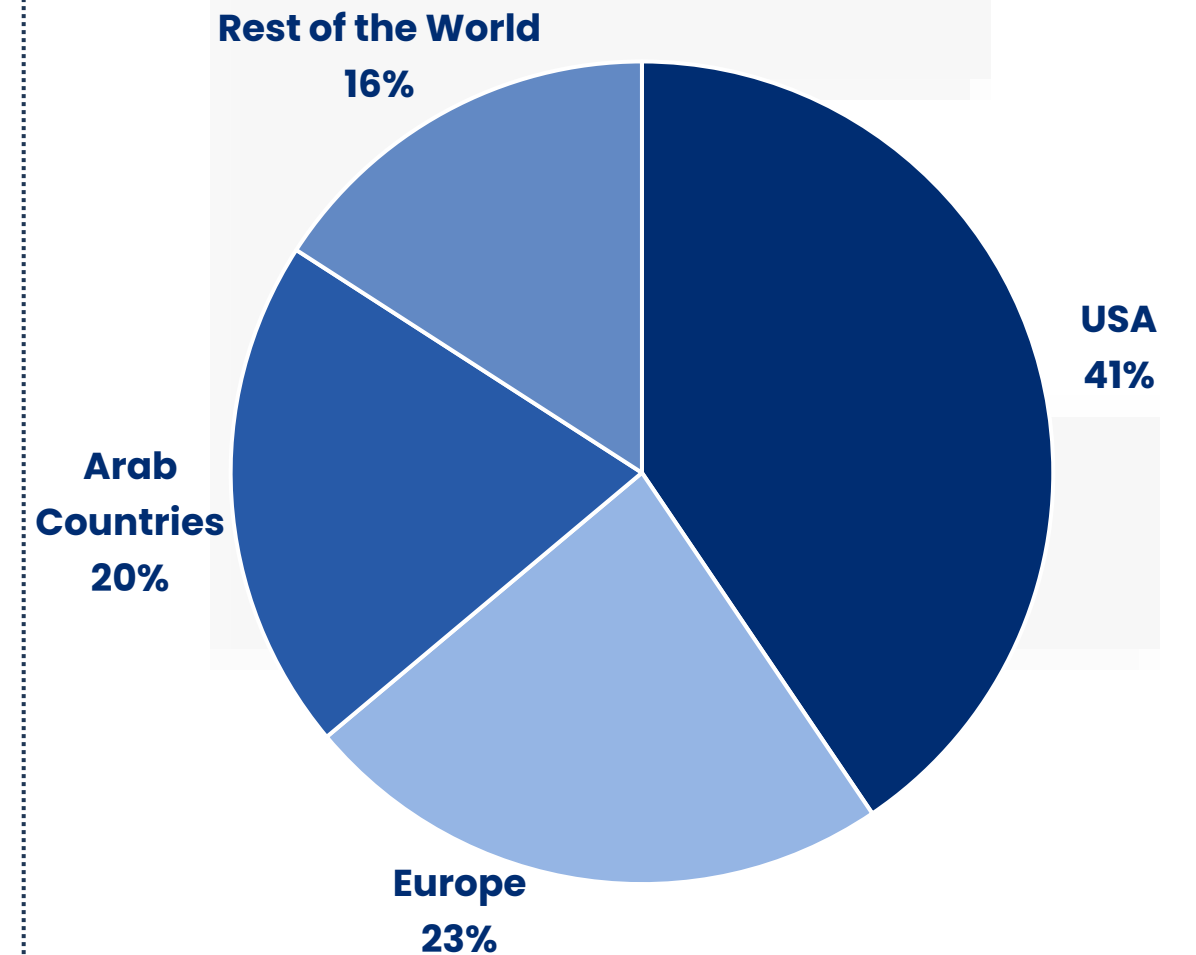
# Overview on Egypt's Ready-Made Garments (RMG) Industry

- Main export regions include **USA & Europe** contributing **41% & 23%** respectively of total RMG exports as of **April 2024**.
- The **RMG sector** plays a crucial role in the **textile and apparel industry**, mostly owned by private entities.
- **Swiss Garment Company (SGC)** – Concrete Fashion Group subsidiary for exporting formal menswear – is one of the largest Egyptian exporters of ready-made garments to **USA & Europe**.
- Sector benefits from government support due to being a labor-intensive sector and a **source of foreign currency** inflows.

| RMG Sector Contribution (USD in millions) | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024* |
|---|-------|-------|-------|-------|-------|-------|-------|
| RMG Exports                               | 1,604 | 1,697 | 1,456 | 2,080 | 2,499 | 2,437 | 2,568 |
| Growth Rate %                             | 10%   | 6%    | -14%  | 43%   | 20%   | -2%   | 5%    |

\*2024 exports are calculated based on April 2024

Source: Apparel Export Council of Egypt Report dated April 2024



Regional Breakdown of RMG export, April 2024





**Business model**

# Concrete Fashion Group has two business divisions

RMG Export Business

**Jackets**

Formal  
Casual

**SHIRTS**

**TROUSERS**

Formal  
Casual

Retail Business

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**euromed**

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# Backed by World-Class Manufacturing and Exporting Capacities

**1.5  
Million**

**Jackets**

Formal  
Casual

**4  
Million**

**Trousers**

Formal  
Casual

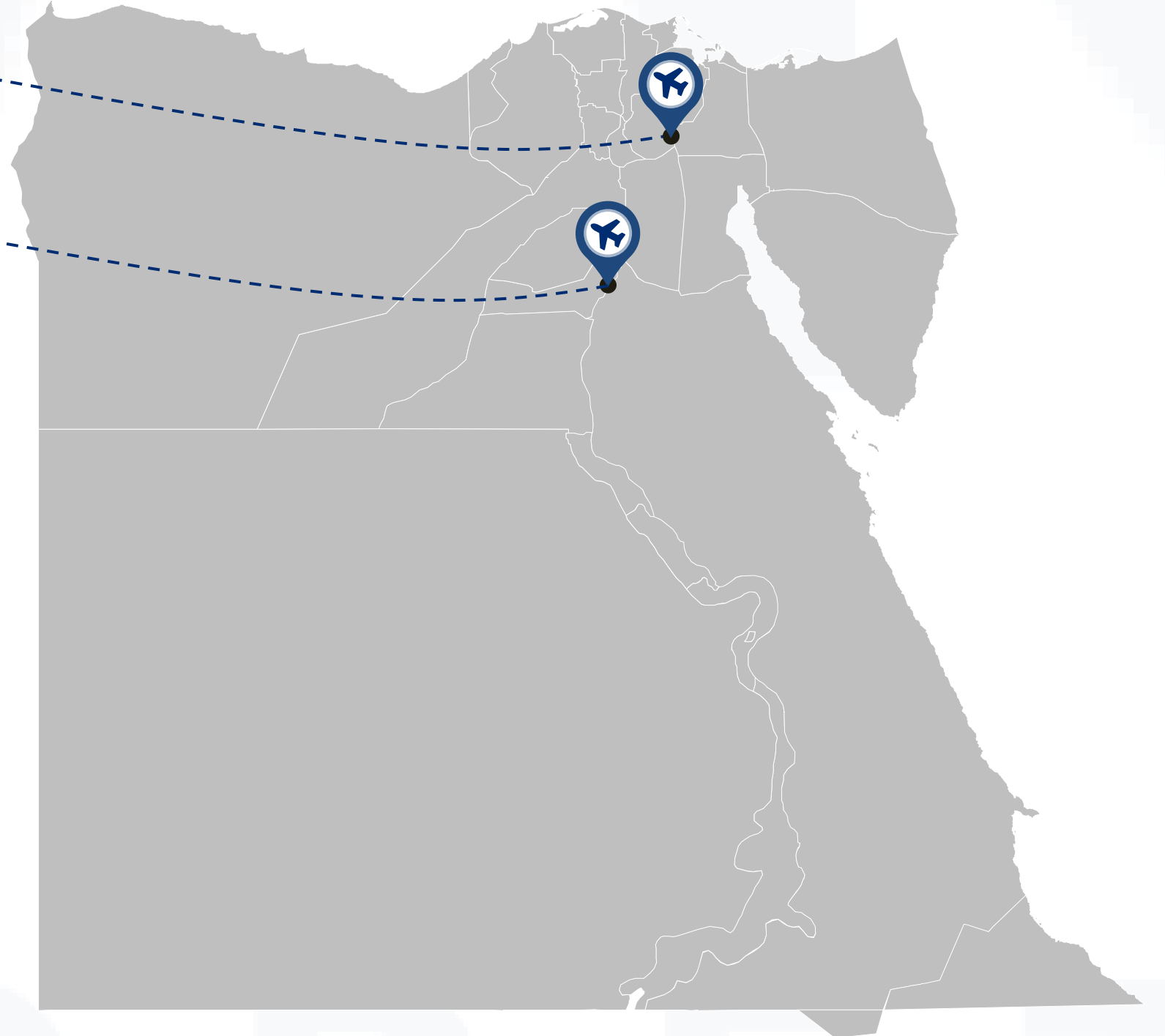
**1  
Million**

**Shirts**

## Production Facilities

10<sup>th</sup> of Ramadan

Beni Suef



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**Strong Retail business with substantial market share**

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- **48 stores** in Egypt.
- **Homegrown luxurious** brand in Egypt inspired by **Italian designs** and **materials**.
- Offering **Made to Measure service** with exclusive Italian fabrics.
- Turnover **USD 23.0 million** in **FY 2023**.

**euromed**

- **9 stores** in Egypt.
- **Homegrown wholesale** and **uniform** business in Egypt.
- Turnover **USD 7.0 million** in **FY 2023**.

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# FY-2023 CFG Income Statement

(CONSOLIDATED FIGURES)

- The Group reported consolidated **net sales** of **USD 150.8 million**, up 3.4% y-o-y.
- The group also reported **EBITDA** y-o-y growth of 35.2% to **USD 37.4 million** on the back of improving profitability across both its manufacturing and retail segments.
- Consolidated **net profit** reached **USD 12.8 million**, up 3.2% versus the previous year.

| USD M                | 2022         | 2023         |
|----------------------|--------------|--------------|
| Net Sales            | 145.9        | 150.8        |
| COGS                 | (96.5)       | (96.3)       |
| Gross Profit         | 49.3         | 54.5         |
| <b>GP Margin</b>     | <b>33.8%</b> | <b>36.1%</b> |
| EBITDA               | 27.7         | 37.4         |
| <b>EBITDA Margin</b> | <b>19.0%</b> | <b>24.8%</b> |
| EBIT                 | 20.6         | 32.2         |
| <b>EBIT Margin</b>   | <b>14.1%</b> | <b>21.4%</b> |
| Net Income           | 12.4         | 12.8         |
| <b>NP Margin</b>     | <b>8.5%</b>  | <b>8.5%</b>  |



# Q1-2024 CFG Income Statement

(CONSOLIDATED FIGUERS)

- The Group reported consolidated **net sales** of **USD 34.2 million** in Q1 2024 compared to USD 37.1 million in Q1 2023
- The group also reported **EBITDA** y-o-y growth of 9.2% to **USD 10.0 million** on the back of improving profitability and COGS efficiencies.
- Consolidated **net profit** reached **USD 5.5 million**, y-o-y growth of 65.3% supported by strong operating profitability and lower net finance costs for the three-month period.

| USD M                | Q1 2023      | Q1 2024      |
|----------------------|--------------|--------------|
| Net Sales            | 37.1         | 34.2         |
| COGS                 | (24.8)       | (19.8)       |
| Gross Profit         | 12.4         | 14.3         |
| <b>GP Margin</b>     | <b>33.3%</b> | <b>41.9%</b> |
| EBITDA               | 9.2          | 10.0         |
| <b>EBITDA Margin</b> | <b>24.7%</b> | <b>29.3%</b> |
| EBIT                 | 7.6          | 8.7          |
| <b>EBIT Margin</b>   | <b>20.5%</b> | <b>25.4%</b> |
| Net Income           | 3.3          | 5.5          |
| <b>NP Margin</b>     | <b>9.0%</b>  | <b>16.1%</b> |



**CFG**

# Balance Sheet

(CONSOLIDATED FIGURES)

| USD M                           | FY 2023      | Q1 2024      |
|---------------------------------|--------------|--------------|
| Cash & Cash Equiv.              | 10.5         | 6.0          |
| Net Receivables                 | 27.9         | 22.5         |
| Inventory                       | 95.6         | 87.8         |
| Fixed Assets                    | 54.6         | 53.3         |
| <b>Total Assets</b>             | <b>203.1</b> | <b>185.1</b> |
| <b>Total Liabilities</b>        | <b>174.5</b> | <b>164.7</b> |
| <b>Total Equity</b>             | <b>28.5</b>  | <b>20.4</b>  |
| <b>Total Liab. &amp; Equity</b> | <b>203.1</b> | <b>185.1</b> |

**CONCRETE**

FAASHIKONI GROUP

Investor Presentation July 2024



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THANK YOU

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