Concrete Fashion Group

H1 2025

Earnings Report

Concrete Fashion Group Reports H1 2025 Results

The Group achieved solid results during the first half of the financial year ending 31 December 2025, reporting consolidated net sales of USD 70.3 million, a 9.6% y-o-y increase. Supported by strong operational streamlining across its manufacturing and retail segments, aiming to build on the significant progress achieved during the previous year. CFG remains focused on growing its RMG exports, expanding both its local and international retail footprint while maximizing value to the shareholders.

Cairo, Egypt | 31 August 2025

Concrete Fashion Group for Commercial and Industrial Investments S.A.E ("Concrete Fashion Group" or "CFG" or the "Group"), Egypt's leading luxury apparel manufacturer, retailer, and exporter, announced today its audited financial statements and operational results for the first half ending 30 June 2025 (H1 2025). During the first six months of the financial year 2025, the Group recorded consolidated[1] net sales of USD 70.3 million, growing 9.6% y-o-y compared to USD 64.1 million in H1 2024. Further down the income statement, the Group reported consolidated EBITDA of USD 16.7 million and a margin of 23.8%, down from USD 20.0 million and a margin of 31.1% during same period last year. CFG has witnessed group of events that weighted down the EBITDA level during the period including the global trade disturbance, the change in Egyptian government's export rebates program since July 2024 decreasing the incentives received by manufacturing segment by around 72% y-o-y, along with the implementation of higher minimum wages since April 2025 increasing the industrial salaries by 22% y-o-y. This is in addition to the impact of the devaluation of the EGP against USD by 25% y-o-y on translating results of retail segment. Net Profit for H1 2025 came in at USD 4.8 million, with a margin of 6.8%, compared to USD 9.8 million and a margin of 15.2% in H1 2024 impacted by higher taxes and net financing cost for the period compared to same period last year.

Summary Income Statement (USD mn)	H1 2025	H1 2024[2]	*Change*
Net Sales	**70.3**	**64.1**	***9.6%***
Cost of Goods Sold	(47.3)	(37.4)	*26.4%*
EBITDA[3]	**16.7**	**20.0**	***-16.4%***
EBITDA Margin (%)	*23.8%*	*31.1%*	*-7.4 pts.*
Operating Profit	**14.3**	**17.4**	***-17.9%***
Operating Profit Margin (%)	*20.3%*	*27.1%*	*-6.8 pts.*
Net Profit	**4.8**	**9.8**	***-51.2%***
Net Profit Margin (%)	*6.8%*	*15.2%*	*-8.4 pts.*

Key Highlights

- **Consolidated Net Sales** for H1 2025 reached USD 70.3 million, up 9.6% compared to USD 64.1 million in H1 2024.
- CFG's **manufacturing segment,** which includes results from the Group's suits and jackets manufacturing business unit Swiss Garments Company (SGC), its trousers manufacturing business unit Swiss Cotton Garments Company (SCGC) and its shirts manufacturing business unit Cristall for Making Shirts (Cristall)recorded consolidated net sales of USD 57.6 million, up 11.8% y-o-y compared to USD 51.5 million in H1 2024 reflecting 14.4% y-o-y growth in volumes sold, supported by its solid product and client base.

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[1] Consolidated net sales exclude intercompany transactions for all periods.
[2] It is worth highlighting that the results of H1 2024 included one-off USD 1.8 million as net revenues from selling investments at fair value booked at the holding level.
[3] EBITDA is calculated as operating profit for the period plus depreciation, amortization, provisions, and expected credit losses (ECL).

- Meanwhile, the **retail segment**, which includes results from Concrete Ready Made Garments S.A.E, Concrete International Trading L.L.C U.A.E and Euromed for Trading and Marketing S.A.E, generated consolidated[4] Net Sales of USD 12.7 million, an 0.9% y-o-y increase from USD 12.6 million in H1 2024, supported by the strong performance of the Group's flagship Concrete brand. It is worth highlighting that retail segment sales were affected with the impact of the EGP devaluation against USD, offsetting the impressive increase of 25.7% y-o-y in **EGP terms**.
- Consolidated **EBITDA** has been weighted down with global trade disturbance since beginning of the year, in addition to the change to the Egyptian government's export rebates program in July 2024, as a result the amount of rebates received by group have decreased—by approximately 72% y-o-y, in addition to impact of implementing the minimum wages increasing the industrial salaries by 22% y-o-y. and devaluation effect on translating retail segment results from EGP to USD. The group recorded consolidated EBITDA of USD 16.7 million in H1 2025 with an associated margin of 23.8%, compared to EBITDA of USD 20.0 with an associated margin of 31.1% in the same period of the previous year.
- **Consolidated Operating Profit** reached USD 14.3 million in H1 2025, a decrease of 17.9% y-o-y, with an associated margin of 20.3% compared to USD 17.4 million with operating profit margin of 27.1% during H1 2024.
- **Net Financing Costs** increased by 6.0% y-o-y to USD 8.2 million in H1 2025, versus USD 7.7 million in H1 2025, as a result of FX loss of USD 0.5 million during the period despite the ongoing deleveraging efforts.
- The Group reported **Consolidated Net Profit** of USD 4.8 million in H1 2025 versus USD 9.8 million during H1 2024, recording margins of 6.8% and 15.2% respectively. Net Profit for the period has been weighted down with higher tax expense for the period of USD 1.3 million compared to tax income of USD 0.1 million during H1 2024.

[4] Consolidated results exclude intercompany transactions for all periods.

Management Comment

Dear shareholders,

As I reflect on our results from the first half of the year, I'm confident in CFG's solid performance, especially in light of the global disruptions caused by newly imposed tariffs. Our results in both the manufacturing and retail segments clearly demonstrate the agility of our business model. We've remained focused on long-term growth while strengthening our position as a trusted strategic partner in the dynamic global fashion markets.

Diving deeper into our results for the first half of the year ending 31 December 2025, we achieved 9.6% y-o-y growth in consolidated net sales. The group performance during the period underscores the strength of our product offering and the depth of our client relationships across both the retail and manufacturing segments—despite the global trade disturbance. While our profitability faced pressure during the period due to various external and regulatory factors, including the global trade disturbance, a significant reduction in export rebates following the Egyptian government's policy changes in July 2024, higher industrial salaries driven by the increase in minimum wages effective since April 2025 and the impact of local currency devaluation on translating the retail segment's results. As a result, the group's EBITDA margin declined to 23.8% in H1 2025 from 31.1% in H1 2024. Adding to that, the net profit margin declined to 6.8% in H1 2025 compared to 15.2% in the same period last year.

The Group export manufacturing segment recorded growth of 11.8% y-o-y in consolidated net sales reflecting 14.4% y-o-y growth in volumes sold, supported by its solid product and client base, and further boosted by the recovery of delayed orders from Q1 2025 amid global trade disruptions. The Group's robust reputation and consistent quality helped sustain client engagement throughout the period, with the manufacturing portfolio continuing to serve leading global names such as Brooks Brothers, Macy's, Tommy Hilfiger, Armani, Massimo Dutti, Boggi Milano, Ted Baker, JOOP! and Ramsey. During H1 2025, the segment expanded its client portfolio with the addition of renowned UK brands such as Reiss and John Lewis, as well as Turkish brands Colin's and Lufian, further strengthening its presence in key international markets. It also deepened its partnership with prestigious fashion house Ralph Lauren, which joined the portfolio last year, and successfully renewed its relationship with Peerless and Mango for suit business. Together, these developments are expected to position the segment for stronger results during H2 2025. Looking ahead, the Group anticipates an acceleration in manufacturing activity over the remainder of the year, supported by ongoing commercial efforts and a favorable global supply chain shift to Egypt that is expected to lead to new strategic partnerships.

Furthermore, the Group's retail segment achieved strong performance during the period supported by higher sales on both USD and local currency terms on back of the growth in volumes sold by 3.3% y-o-y. The resilient performance of the segment is attributed to the solid performance of our flagship brand "Concrete", driven by the brand's well-established reputation and a robust network across Egypt.

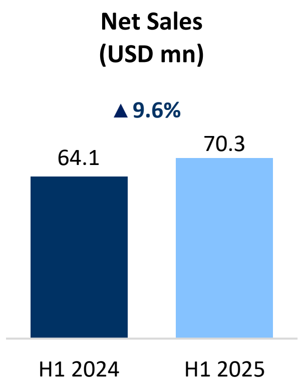
H1 2025 marked a historic milestone for the segment with Concrete's regional expansion at Al Reem Mall in Abu Dhabi, establishing Concrete first physical retail presence beyond Egypt and paving the way for further expansion across the MENA region. It is also worth highlighting that Q2 2025 has witnessed the opening of Concrete newest branch "Casa Concrete" in Downtown area, a relocation of an older branch in the same area to a modern flagship destination that elevates the brand experience and strengthens Concrete's presence in a prime location as part of the project vision of reviving Downtown Cairo's heritage, drawing on Concrete's own brand legacy, and blending Egyptian authenticity with a modern twist.

Adding to that, the Group's uniform business delivered a strong performance in Q2 2025, driven by deliveries of tender offers, in addition to adding of new clients across multiple sectors. This included securing strategic partnerships in the hospitality industry, while expanding the uniform business with top international schools and strengthening its position in the corporate sector with new partnershipsin telecom sector.

Looking ahead, we see a clear strategic opportunity for CFG that is poised to positively impact both our manufacturing and retail sectors. With its favorable location in the heart of the MENA region supported by world-class infrastructure, CFG is well-positioned to capitalize on the global shift towards supply chain diversification, as international companies seeking to mitigate geopolitical risks. Our cost competitiveness, unwavering commitment to high-quality standards, and strong client relationships make us an increasingly attractive partner for global brands seeking resilience, regional proximity, and long-term value. At the same time, we are excited about expanding our retail international presence, building on the solid performance of our recently opened Abu Dhabi store, as well as the full launch of concrete first ladies' wear collection in Winter 2025.

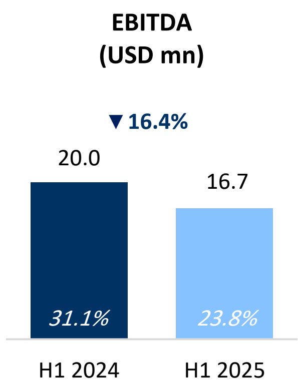
Dr. Alaa Arafa
Vice Chairperson and Chief Executive Officer

Consolidated Analysis



Consolidated Net Sales for the first half of the year ending 31 December 2025 recorded USD 70.3 million, compared to USD 64.1 million in H1 2024, up 9.6%. The manufacturing segment recorded consolidated Net Sales of USD 57.6 million in H1 2025, up 11.8% from USD 51.5 million in H1 2024. Meanwhile, the retail segment consolidated Net Sales in H1 2025 recorded USD 12.7 million with an increase of 0.9% on USD terms, retail segment sales were affected with the impact of the EGP devaluation against USD, offsetting the impressive growth of 25.7% y-o-y in **EGP terms**.

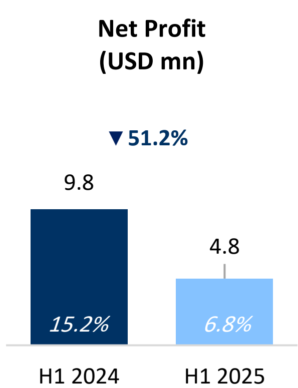
Cost of Goods Sold (COGS)[5] for H1 2025 came in at USD 47.3 million, compared to USD 37.4 million in H1 2024. As a share of net sales, COGS in 2025 recorded 67.2% compared to 58.3%, as a result of several factors including: the global trade disturbance lower export rebates received by CFG following a change to the Egyptian government's export rebates program since July 2024, decreasing it by around 72% y-o-y and higher industrial salaries by 22% driven by the increase in minimum wages effective since April 2025. Selling, general, and administrative (SG&A)[5] expenses stood at USD 8.0 million in H1 2025, down from USD 8.2 million in H1 2024. As a share of net sales, SG&A recorded 11.4% in H1 2025, dropping from 12.7%.



Consolidated EBITDA for H1 2025 recorded USD 16.7 million, compared to USD 20.0 million in H1 2024, with an EBITDA margin of 23.8% versus 31.1% in H1 2024.

Operating Profit reached USD 14.3 million compared to USD 17.4 million in the same period last year, with a corresponding margin of 20.3% versus 27.1%.

Net Finance Costs stood at USD 8.2 million in H1 2025, compared to USD 7.7 million in H1 2024, recording a 6.0% increase, as a result of FX loss of USD 0.5 million during the period despite the ongoing deleveraging efforts.



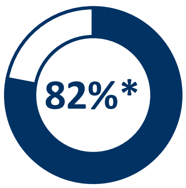
The Group's Consolidated **Net Profit** for H1 2025 stood at USD 4.8 million, compared to USD 9.8 million in H1 2024, with a Net Profit margin of 6.8% versus 15.2% last year. Net Profit has been weighted down with higher tax expenses for the period of USD 1.3 million compared to tax income of USD 0.1 million during of H1 2024.

Receivables on 30 June 2025 stood at USD 54.2 million, compared to USD 51.1 million on FY 2024 year-end. **Inventory** recorded USD 89.0 million at the end of H1 2025, down from USD 89.1 million in December 2024. **Cash and Cash Equivalents** stood at USD 2.8 million versus USD 5.6 million on 31 December 2024.

On the Liabilities front, Concrete Fashion Group's **Total Debt** on 30 June 2025 recorded USD 133.8 million down from the USD 135.4 million recorded on FY 2024. Finally, the Group's **Net Debt to Annualized EBITDA** recorded 3.9x as of H1 2025.

[5] *Figures for both periods exclude depreciation, amortization and provisions.*

Segmental Analysis



Manufacturing

The Group's manufacturing segment includes results from its three manufacturing business units dedicated to the manufacture of Jackets, Trousers and Shirts. Across its facilities, around 95% of manufactured pieces are exported worldwide to prestigious fashion houses including Brooks Brothers, Macy's, Ralph Lauren, Massimo Dutti, Boggi Milano, Ted Baker, Tommy Hilfiger, Armani, JOOP! and Ramsey providing the Group with a large and growing flow of foreign currency income. Today, the Group's Swiss Garments Company (SGC) facility is focused on the manufacturing of formal and casual jackets, coats, vests, and formal trousers. Meanwhile, trousers are manufactured at its Swiss Cotton Garments Company (SCGC) facility, and shirts at its Cristall for Making Shirts (Cristall) facility.

**Contribution of manufacturing business to Group's consolidated Net Sales of USD 70.3 million in H1 2025.*

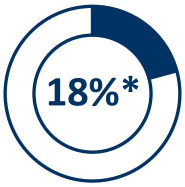
In the six-month period ended 30 June 2025, the Group's manufacturing segment recorded consolidated Net Sales of USD 57.6 million, compared to USD 51.5 million in H1 2024, led by the increase in volumes sold during the period by 14.4%. The growth in sales came at the back of attracting new clients since the beginning of the year amid the global disturbance. The segment expanded its client portfolio with the addition of renowned UK brands such as Reiss and John Lewis, as well as Turkish brands Colin's and Lufian, further strengthening its presence in key international markets. It also deepened its partnership with prestigious fashion house Ralph Lauren, which joined the portfolio last year, and successfully renewed its relationship with Peerless and Mango for suit business.

Segment 's EBITDA were weighed down with several factors including the global trade disturbance, the impact of exports rebates payout and the implementation of minimum wages recording EBITDA of USD 10.6 million versus USD 12.4 million during H1 2024. Net Profit recorded USD 2.3 million compared to USD 5.5 million in the same period last year.

Summary Consolidated Income Statement (USD mn)	H1 2025	H1 2024	*Change*
Net Sales	**57.6**	**51.5**	***11.8%***
Cost of Goods Sold	(43.9)	(35.7)	*22.9%*
EBITDA[6]	**10.6**	**12.4**	***-13.9%***
EBITDA Margin (%)	*18.5%*	*24.0%*	*-5.5 pts.*
Operating Profit	**9.3**	**11.1**	***-16.4%***
Operating Profit Margin (%)	*16.1%*	*21.5%*	*-5.4 pts.*
Net Profit	**2.3**	**5.5**	***-59.3%***
Net Profit Margin (%)	*3.9%*	*10.7%*	*-6.8 pts.*

[6] *EBITDA is calculated as operating profit for the period plus depreciation, amortization, provisions, and expected credit losses (ECL).*

Retail



The Group's retail segment includes results from its retail business units Concrete Ready-Made Garments S.A.E, Concrete International Trading L.L.C U.A.E and Euromed for Trading and Marketing S.A.E,. Concrete is considered the largest homegrown premium fashion house in Egypt with +50[7] stores located across Egypt. Concrete International serves as the segment's spearhead for international expansion, with a particular focus on the U.A.E. market. Meanwhile, Euromed is the country's main wholesale and uniform platform catering to one of the largest and most complex wholesale and uniform operations in Egypt.

** Contribution of retail business to Group's consolidated Net Sales of USD 70.3 million in H1 2025.*

In the six-month period ending 30 June 2025, the Group's retail segment recorded consolidated Net Sales of USD 12.7 million with an increase of 0.9% y-o-y, compared to H1 2024 reflecting the impact of the EGP devaluation with an average of 25% y-o-y. The segment achieved impressive results on EGP terms, recording 25.7% y-o-y supported by growth in volumes by 3.3% y-o-y.

The retail segment delivered a resilient performance in H1 2025. A key milestone during the period was the opening of *Casa Concrete* in Downtown Cairo—a flagship store that draws on Concrete's brand legacy while blending Egyptian heritage with a contemporary aesthetic.

Meanwhile, the Group's uniform business recorded robust growth in Q2 2025, expanding its client base across the hospitality, education, and corporate sectors. These strategic collaborations are opening new opportunities with our partners and reinforcing growth prospects for the uniform business.

From a profitability perspective, consolidated EBITDA decreased in H1 2025 to reach USD 6.8 million, compared to USD 7.2 million in H1 2024 weighted down with impact of devaluation of the EGP against USD, with an EBITDA margin of 53.4% versus 57.1% last year. Operating Profit for the segment came in at USD 5.9 million in H1 2025, with a 3.4% decrease from the same period last year, while Net Profit recorded USD 3.8 million, versus USD 4.2 million in H1 2024. It is worth highlighting that the segment has reported during H1 2025 a one-off capital gain of USD 1.8 million from the sale of an administrative building owned by Concrete.

Summary Consolidated Income Statement (USD mn)	H1 2025	H1 2024	*Change*
Net Sales	**12.7**	**12.6**	***0.9%***
Cost of Goods Sold	(3.4)	(1.7)	*102.5%*
EBITDA[8]	**6.8**	**7.2**	***-5.6%***
EBITDA Margin (%)	*53.4%*	*57.1%*	*-3.7 pts.*
Operating Profit	**5.9**	**6.1**	***-3.4%***
Operating Profit Margin (%)	*46.1%*	*48.2%*	*-2.1 pts.*
Net Profit	**3.8**	**4.2**	***-9.9%***
Net Profit Margin (%)	*30.0%*	*33.7%*	*-3.6 pts.*

[7] Concrete's network includes 53 stores as of 30/06/2025
[8] EBITDA is calculated as operating profit for the period plus depreciation, amortization, provisions, and expected credit losses (ECL).

Consolidated Income Statement

USD mn	H1 2025	H1 2024	*Change*
Net Sales	**70.3**	**64.1**	***9.6%***
Cost of Goods Sold[9]	(47.3)	(37.4)	*26.4%*
Sale of Investments at Fair Value	-	1.8	*-100.0%*
Gross Profit	**23.1**	**28.5**	***-19.2%***
Gross Profit Margin	*32.8%*	*44.5%*	*-11.7 pts.*
Other Operating Revenue[9]	2.3	0.2	*996.8%*
Selling & Distribution Expenses[9]	(3.8)	(3.2)	*19.7%*
General & Administrative Expenses[9]	(4.2)	(5.0)	*-15.5%*
Other Operating Expenses[9]	(0.6)	(0.6)	*1.8%*
EBITDA[10]	**16.7**	**20.0**	***-16.4%***
EBITDA Margin	*23.8%*	*31.1%*	*-7.4 pts.*
Operating Profit	**14.3**	**17.4**	***-17.9%***
Operating Profit Margin	*20.3%*	*27.1%*	*-6.8 pts.*
Finance Income	0.1	0.5	*-82.4%*
Finance Cost	(8.3)	(8.2)	*0.6%*
Profit Before Tax	**6.1**	**9.7**	***-37.0%***
Income Tax	(1.0)	(0.7)	*-28.0%*
Deferred Tax	(0.4)	0.8	*N/A*
Net Profit	**4.8**	**9.8**	***-51.2%***
Net Profit Margin	*6.8%*	*15.2%*	*-8.4 pts.*

[9] *Figures for both periods exclude depreciation, amortization and provisions.*
[10] *EBITDA is calculated as operating profit for the period plus depreciation and amortization, provisions, and expected credit losses (ECL).*

Consolidated Balance Sheet

USD mn	30 June 2025	31 December 2024
Non-Current Assets		
Property, Plant, and Equipment	42.4	43.0
Projects under Construction	0.8	0.8
Intangible Assets	3.8	3.9
Right of Use Assets	3.1	3.1
Total Non-current Assets	**50.1**	**50.8**
Current Assets		
Inventory	89.0	89.1
Work in Progress	1.7	1.6
Accounts Receivable	54.2	51.1
Due from Related Parties	0.0	0.0
Assets Held for Sale	-	1.1
Cash and Cash Equivalents	2.8	5.6
Total Current Assets	**147.7**	**148.4**
Total Assets	**197.8**	**199.2**
Equity		
Capital	32.9	32.9
Legal Reserve	-	6.7
Foreign Entities Conversion Differences	(45.7)	(41.1)
Retained Earnings	45.4	34.2
Controlling Equity	**32.6**	**32.7**
Non-Controlling Equity	1.8	1.8
Total Equity	**34.3**	**34.5**
Non-current Liabilities		
Long-Term Debt	36.6	42.1
Lease Liability	1.8	0.7
Deferred Tax	0.8	0.5
Total Non-current Liabilities	**39.2**	**43.3**
Current Liabilities		
Provisions	0.9	0.7
Short-Term Debt	84.9	82.0
Overdraft	0.1	0.1
Accounts Payable	22.3	22.4
Due to Related Parties	1.3	1.9
Income Tax Payable	1.0	1.4
Leasing Liability	1.6	1.6
Current Portion of Long-term Debt (CPLTD)	12.3	11.2
Total Current Liabilities	**124.3**	**121.4**
Total Liabilities	**163.5**	**164.7**
Total Liabilities and Equity	**197.8**	**199.2**

Key Operational Figures

Thousands of Pieces sold	H1 2025	H1 2024
Manufacturing	**2,610.9**	**2,281.9**
Jackets[11]	*541.3*	*510.4*
Trousers[12]	*1,626.7*	*1,448.9*
Shirts	*443.0*	*322.5*
Retail	**720.3**	**697.5**
Concrete	*500.7*	*577.1*
Euromed	*219.6*	*120.5*

[11] *Volume includes Formal and Casual Jackets, Coats and Vests*

[12] *Volume includes Formal and Casual Trousers.*

About Concrete Fashion Group

Concrete Fashion Group is a leading luxury fashion manufacturer, retailer and exporter. The holding company is listed on the Egyptian Stock Exchange under the ticker CFGH. Concrete Fashion Group owns the homegrown brand Concrete, which is considered Egypt's largest retailer for luxury wear with +50 stores in Egypt and a growing regional online presence. CFG also operates a successful ready-made garments export business through three world-class facilities serving prominent global fashion houses such as Brooks Brothers, Macy's, Ralph Lauren, Massimo Dutti, Boggi Milano, Ted Baker, Tommy Hilfiger, Armani, JOOP! and Ramsey

Investor Relations Contact

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