RAYA CONTACT CENTER REPORTS FY2019 RESULTS

RELATIVELY HEALTHY MARGINS DESPITE UNFORESEEN CHALLENGES, EARNINGS PER SHARE 0.93 EGP

REVENUES
EGP 815.6 MN
▼ (10.2) % y-o-y

GROSS PROFIT
EGP 302.9 MN
▼ (14.9) % y-o-y

EBITDA
EGP 152.1 MN
▼ (30 %) y-o-y

NET PROFIT
EGP 114.5 MN
▼ (36.5) % y-o-y

Raya Contact Center (RACC.CA on EGX), Egypt's largest provider of comprehensive business process outsourcing (BPO) services, announced its consolidated results for FY2019, reporting revenue of EGP 815.6 million. The largest contributor to revenue was the outsourcing segment (62%), followed by hosting services (20%) and insourcing services (18%). Gross profit margin for the period recorded 37.1% down from 39.1% in 2018 while net profit recorded EGP 114.5 million, reflecting a net profit margin of 14% compared to EGP 180.5 million, and 19.8% in 2018, respectively. The overall decline on both our financial and operational performance is attributable to the unpredictable economic challenges such as the appreciation of the Egyptian Pound against the US Dollar, and the general economic slowdown across the Gulf Region that resulted in a decline in the volume of calls. On the operational front, the decline in margins was mainly due to the increase in rent expense which was attributable to the new mega facility in Smart Village, that wasn't yet operational in 2019.

On another note, in December 2019, we communicated the news that Ms. Reem Assaad resigned from her role as Chief Executive Officer, and Mr. Ahmed Refky was appointed by the Company's Board of Directors to succeed her.

Summary Income Statement

EGP	FY2018	FY2019	% Change
Revenue	**908,584,874**	**815,632,120**	*(10.23%)*
Outsourcing	*634,438,919*	*504,587,630*	*(20.47%)*
Insourcing	*133,054,764*	*146,824,850*	*10.35%*
Hosting	*141,091,191*	*164,219,640*	*16.39%*
Gross Profit	**355,997,420**	**302,919,703**	*(14.91%)*

Gross Profit Margin	*39.18%*	*37.14%*	-
EBITDA	**217,391,099**	**152,165,645**	*(30.00%)*
EBITDA Margin	*23.93%*	*18.66%*	-
Net Profit	**180,539,716**	**114,574,924**	*(35.98%)*
Net Profit Margin	*19.87%*	*14.05%*	-

Note from the CEO

We are pleased to announce our 2019 earnings release, despite the overall decline in performance due to the unpredicted challenges that were highlighted and communicated throughout the year. Revenues recorded EGP 815 million, compared to EGP 908 million in 2018, representing a 10% decline. The decline in our top line is largely a result of the unforeseen appreciation of the EGP against the USD, by an average of 6.6% throughout the year, where our Egypt operations were negatively impacted due to the currency mismatch. In addition to the general economic slowdown in the GCC, that resulted in a decline in the volume of calls – a key driver to our major revenue contributor - as well as the increasing trend for in-country workforce nationalization policies across the region. On a positive note, we have witnessed growth in other revenue streams, namely Hosting and Insourcing, which grew y-o-y by 16.3%, and 10.3%, respectively.

Due to these challenges in 2019 along with the global shifting trends towards more digital platforms, we amended our targets and strategy to invest and trigger our digital transformation initiative, and build digital platforms, and upgrade the infrastructure that will enable us to meet our clients' needs and sustain healthy margins to our investors.

In line with our strategy for sustainable growth, in 2019, we increased our capacity by adding 1,681 new workstations across our facilities, including the 1,460 workstations mega facility in Smart Village that was launched in Q4 2019. We have also divested 110 workstations in our facility in Warsaw in order to minimize the burden of unutilized capacity.

Our portfolio management efforts accompanied with cost efficiencies helped to maintain a relatively healthy EBITDA margin of 18.6%, slightly lower than our initial guidance of 20%. EBITDA recorded EGP 152.1 million in 2019, reflecting a 30% y-o-y decline mainly due to the pre-operating costs of our new facility in Smart Village. Closing 2019 with a net profit of EGP 114.5 million and net profit margin of 14%. It is worth mentioning that despite that decline in our financial and operational performance, our margins are still considered healthy when compared to other peers in the industry, locally and across the Emerging Markets.

CAPEX investments stood at EGP 80.1 million used on increasing workstation capacities, building new digital services, and upgrading our core infrastructure. Moreover, we distributed a cash dividend to shareholders of EGP 0.85 per share, translating into EGP 90 million, following our 50% payout ratio guidance.

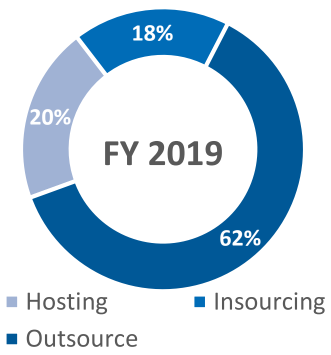
Our Cash flow from operations has shown improvement, closing at 171.4 million in 2019, up by 4% compared to 164.6 million in 2018. Cash flow from operations as percentage of revenues increased 3% to reach 21% in 2019 driven by the optimization of our cash conversion cycle.

Our balance sheet remains resilient, with a healthy cash balance standing at EGP 210 million by end of 2019, which will be partially used to revive and fund our expansion strategy, investments in our digital initiatives, and finance our share buyback process.

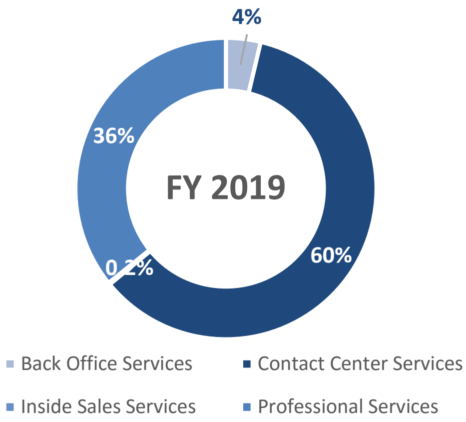
We remain confident that by focusing on growth, innovation of services, and managing our cost drivers we will be able to overcome the existing macro-economic challenges and be well positioned to resume our double digit growth for years to come.

Ahmed Refky
Chief Executive Officer

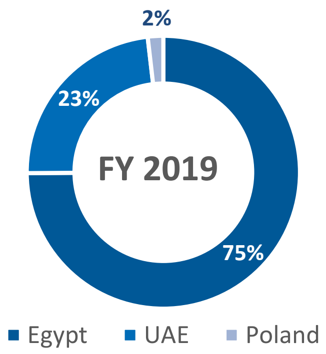
Revenue by Segment



Revenue by Service



Revenue by Geography



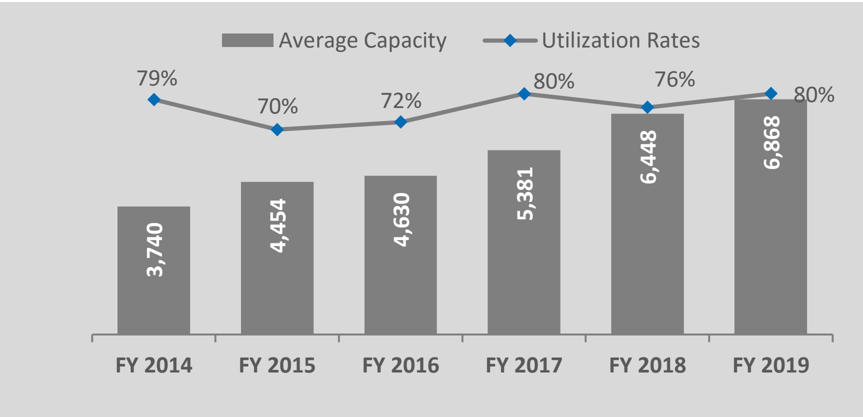
Operational Review

During 2019, RCC added 1,68 new workstations across its facilities, and divested 110 workstations to lower the burden of unutilized capacity in its facility in Poland, bringing its total capacity to 8,369 compared to 6,688 in 2018, representing a 21% y-o-y growth. RCC's total CAPEX/Revenue recorded 9.8% for the period, versus 7.1% in 2018.

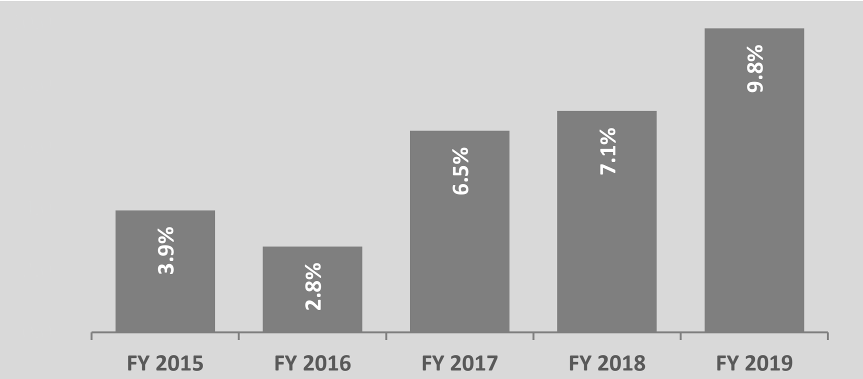
82% of revenues for the period were generated from clients who have been with RCC for over five years, reflecting a healthy client retention rate of c.86%.

RCC prides itself on the quality, reliability and security of its service, a key competitive strength that is a function of its continued investment in human resources development and quality assurance programs. In 2019, RCC successfully renewed and maintained its operational quality accreditation certificates, including upgrading its COPC accreditation for performance management to the higher-tier version 6, the ITIL information technology framework, and the PCI-DSS e-payment security accreditation. Moreover, RCC follows best practices as (ISMS) Information Security Management system, which is mapped by NIST and SANS institute.

Workstation Evolution & Utilization[1]

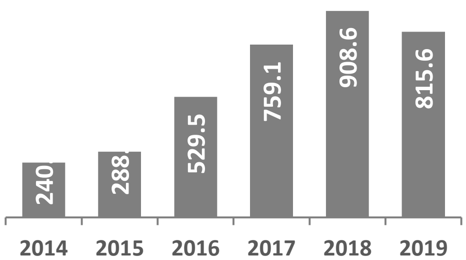


CAPEX / Sales Ratio

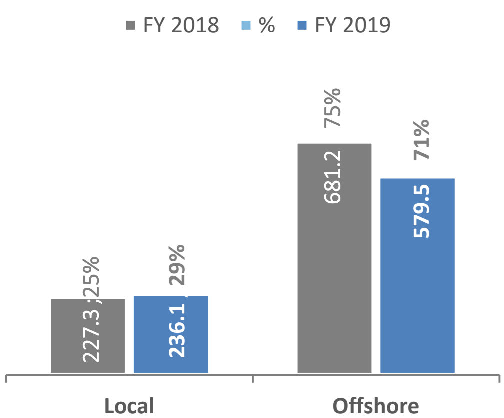


[1] Utilization is calculated as the average productive workstations' utilization by the average total workstations.

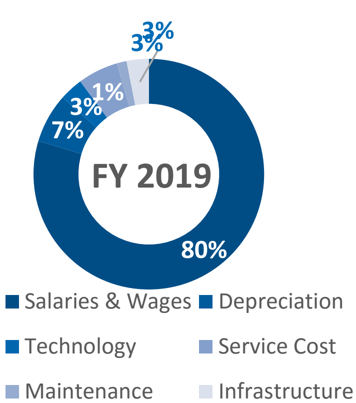
Revenue Progression
(EGP mn)



Revenue Progression by Location
(EGP mn)



COGS Breakdown



Financial Review

Consolidated revenues in 2019 recorded EGP 815.6 million, down (10.1%) y-o-y — due to EGP appreciation against the USD, as well as a slowness in adding new clients.

Analyzing 219 revenue by ***currency***, *offshore* revenue (USD) recorded EGP 579.5 million, representing 71% from total revenue, while locally generated revenue accounted for the balance. 2019 revenue by ***service segment***, our main revenue contributor, *contact center outsourcing* recorded EGP 504.5 million, representing 62% of total revenue. *Hosting business* recorded EGP 164.2 million, representing 20% of revenue, and growing 16% y-o-y. *Insourcing business* (*HR outsourcing*) recorded EGP 146.8 million, representing 18% of total revenue, and reflecting a 10% growth y-o-y.

Analyzing revenue by ***geographical location***, **Egypt's** facilities generated EGP 610.8 million of revenue, representing 75% from total revenue. **UAE** facilities contributed by EGP 189.7 million, representing 23% from total revenue, while our facility in **Poland** accounted for EGP 14.9 million, reflecting a 30% decline from last year on the back the capacity divestment that took place during the year.

On the ***costs of goods sold*** (COGS) level, RCC recorded EGP 408.0 million in 2019, down 11% y-o-y. Salaries & wages constituted of the largest share of COGS standing at 80%, down from 83% in 2018.

Management's efforts to curb the effect of cost inflation saw it deliver a ***gross profit*** of EGP 302.9 million, down 2% y-o-y, and yielding a GP margin of 37.1%. Despite the appreciation of EGP, GP margin witnessed consistency with last year.

Meanwhile, ***selling, general and administrative*** (SG&A) expenses recorded 68.9 million in 2019, representing an 8.4% from total revenue, in line with historical trends.

EBITDA recorded EGP 152.1 million, with an 18.6% EBITDA margin, reflecting a 30% decline y-o-y, due to the pre-operating rent expense related to the facility in Smart Village, as well as an exceptional one off rent increment related to the facilities in Maadi Park, that took place in Q4 with a retroactive effect.

Net profit recorded EGP 114.5 million with a net profit margin 14%, down from 19.8% in 2018.

As of end of 2019, the company's financial position remained liquid with a healthy ***cash balance*** of EGP 209.9 million or c.35.4% of total assets.

About Raya Contact Center

Raya Contact Center (RCC) is a world-class business process outsourcing (BPO) and contact center outsourcing (CCO) service provider offering contact center, professional, back office and inside sales channel management services to global clients, including Fortune 1000 companies in the Middle East, Europe, Africa, & North America in over 25 different languages. ***As of December 2019***, Raya Contact Center operated ten top-of-the-line facilities, spanning eight facilities in various locations around Egypt, one facility in Dubai, UAE, and one in Warsaw, Poland, with over 6,909 seats capacity and 5,598 employees. RCC serves a diversified clientele base of over 100 clients operating in the EMEA region, focusing on high growth industries, namely telecom & media, technology & consumer electronics, travel & hospitality, banking, automotive, and retail industries.

Raya Contact Center is the number one BPO provider in Egypt boasting the largest market share by total FTEs (Full Time Equivalent), and aspires to be the leading BPO provider in the MENA region. Raya Contact Center is the only listed BPO player on the Egyptian Stock Exchange, and is currently trading under the symbol "RACC.CA".

For further information, Please contact:

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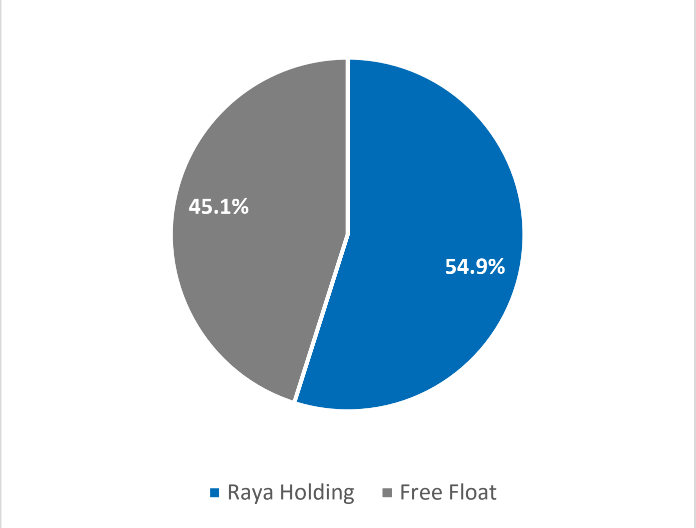
RACC.CA on the EGX	
Number of Shares	106,060,606
Share Price (Dec. 31st 2019)	EGP 4.54
Market Cap (Dec. 31st 2019)	EGP 481,515,151

Shareholding Structure

(As of December 31st, 2019)



Forward-Looking Statements

This communication 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”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “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 our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions and involve known and unknown risks, uncertainties and other factors that may cause our 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 our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Consolidated Income Statement

EGP	FY 2019	FY 2018	% Change
Revenue	**815,632,120**	**908,584,874**	***(10.2%)***
COGS	(512,712,417)	(552,587,454)	*(7.2%)*
Gross Profit	**302,919,703**	**355,997,420**	***(14.9%)***
General & Administrative Exp.	(68,940,869)	(77,759,617)	*(11.3%)*
Selling & Marketing Exp.	(4,512,357)	(4,519,715)	*(0.2%)*
Rent	(111,317,071)	(80,162,235)	*38.9%*
Provisions (No Longer Required)	(88,830)	(16,400)	
Impairments	(9,967,847)	(5,243,672)	
Impairments Reversal	7,973,530	3,230,252	
Operating Profit	**116,066,259**	**191,526,033**	***(39.4%)***
Interest Income (Expense)	23,164,480	29,842,042	
FX Gain (Loss)	1,213,152	(666,829)	
EBT	**140,443,891**	**220,701,246**	***(36.4%)***
Tax	(25,868,967)	(40,161,530)	*(35.6%)*
Net Income	**114,574,924**	**180,539,716**	***(36.5%)***
Distributed as follows:			
Shareholders of the Parent Co.	113,212,391	178,957,499	*(36.7%)*
Minority Interest	1,362,533	1,582,217	*(13.9%)*
Earnings Per Share	**0.93**	**1.45**	***(35.9%)***

Consolidated Balance Sheet

	31-Dec-19	31-Dec-18
Assets		
Long Term Assets		
Fixed Assets	139,946,329	96,373,132
Intangible Assets	233,222	349,917
Deferred Tax Asset	95,561	2,818,185
Goodwill	26,582,777	26,582,777
Total Long term Assets	**166,857,889**	**126,124,011**
Current Assets		
Accounts Receivables	151,999,210	212,198,346
Advance Payment & Other Debit Balances	63,475,398	48,763,648
Due from Related Parties	6,162	6,162
Deferred Tax	-	-
Cash & Cash Equivalents	209,931,161	254,513,240
Total Current Assets	**425,411,931**	**515,481,396**
Total Assets	**592,269,820**	**641,605,407**
Equity		
Issued and Paid Capital	53,030,303	53,030,303
Additional Paid in Capital	75,306,925	75,306,925
Legal Reserve	31,060,282	31,060,282
Merger Reserves	(2,834,374)	(2,834,374)
FX Translation Reserve	(3,229,718)	10,634,932
Retained Earnings	163,081,851	100,534,016
Net Income Attributable to Majority Owners	113,212,391	178,957,499
Total Parent's Shareholders' Equity	**429,627,660**	**446,689,583**
Minority Interest	1,752,450	1,957,835
Total Equity	**431,380,110**	**448,647,418**
Liabilities		
Long Term Liabilities		
Deferred Tax Liability	6,524,377	7,022,702
Other long term Liabilities	6,815,005	6,730,992
Total long term Liabilities	**13,339,382**	**13,753,694**
Current Liabilities		
Bank Overdraft	5,018,278	4,121,156
Accounts Payable	54,616,504	62,363,947
Other Credit balance	48,276,984	64,680,789
Provisions	2,014,207	1,925,377
Due to Related Parties	7,226,328	8,740,911
Taxes Payable	14,246,393	28,899,457
Dividends Payable	16,151,634	8,472,658
Total Current Liabilities	**147,550,328**	**179,204,295**
Total Liabilities	**160,889,710**	**192,957,989**
Total Liabilities & Equity	**592,269,820**	**641,605,407**