

Premium Global Garment Manufacturing

JERASH HOLDINGS (US), INC.

August 2020



FORWARD-LOOKING STATEMENTS



This document contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements relating to earnings expectations. The terms and phrases “commitment”, “guidance”, “expects”, “would”, “will”, “continuing”, “drive”, “believes”, “indicate”, “look forward”, “grow”, “outlook”, “forecasts”, and similar terms and phrases are intended to identify these forward-looking statements. Forward-looking statements are based on estimates and assumptions made by Jerash Holdings in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that Jerash believes are appropriate in the circumstances, including but not limited to general economic conditions, expectations regarding business performance, strategy and prospects, and confidence in the cash flow generation or profitability.

Many factors could cause Jerash’s actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: risks related to competition; reliance on key personnel; ability to maintain and enhance its brand; and difficulties in forecasting financial results, particularly over longer periods, competition and product life cycles. These risk factors and others relating to Jerash that may cause actual results to differ are set forth in periodic filings with the U.S. Securities and Exchange Commission, copies of which may be obtained at www.sec.gov. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. Jerash has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



WHY JERASH



Trusted global manufacturer

Strategic manufacturer for some of the most trusted brands in the world

Sustained profitability

\$0.57 EPS Fiscal 2020, \$0.20 in dividends

Maintained profitability during COVID pandemic

Diversifying customer base

Adding new global brand customers

16% F1Q2021 (June) revenue from new customers

Driving future growth

Increased factory capacity for rising demand

New PPE capabilities expand market opportunity

JORDAN DRIVES PROFITS

- **Low-cost, high-quality manufacturing economy**
- **Global crossroads for highly skilled workforce**
- **Recognized by world-renowned brands and retailers**
- **Long-standing DUTY-FREE US and EU export agreements**



A STRATEGIC GLOBAL MANUFACTURER

5

Production facilities in Jordan

4,100

Valued employees

25%

Local Jordanian workers

75%

Import labor from Bangladesh, Sri Lanka, India, Myanmar and Nepal

Tariff concerns, labor costs, trade tensions increasing demand from current customers

Operating at ~8M+ pieces annual capacity

Evaluating acquisition of additional facilities and capabilities

RECOGNIZED ESG RESPONSIBILITY



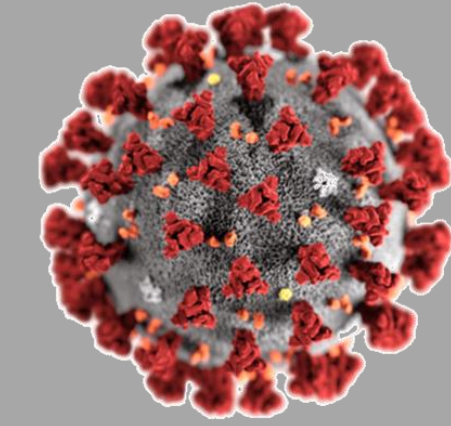
International Women's Day

Supporting the work of women in the supply chain
The North Face IWD Collection was made by an all-female Jerash garment factory in Jordan that provides over 500 jobs in the area.

- Highly credentialed workplace with certifications from global agencies, Jordanian regulators and global branded customers
- Recognized by the United Nations for providing stable employment to Syrian refugees in Jordan
- Partnered with the Jordanian government to provide sustainable employment to 500+ women through the development of the Al-Hasa sewing workshop
- Environmental commitment includes use of higher quality environmentally friendly inks in screen printing
- Dedicated to high standards of US corporate governance, including highly qualified independent directors and best practices in corporate ethics



Pandemic Resilient, Poised for Growth



F1Q 2021 (June 30)

- Revenue \$18.7 million, EPS \$0.07
- High reinstatement of North Face Orders
- 16% of revenue from new customers: New Balance, GIII expansion, American Eagle

Investing for Growth

- Growing list of PPE customers, rapidly expanding sales pipeline
- Factory bookings increased, now subcontracting orders above internal capacity
- Strong balance sheet to drive M&A and capacity expansion for increasing customer demand

Growing demand from global customer base

16% of 1Q FY21 (June 2020) Revenue was from NEW customers

JERASH HAS LONG-STANDING RELATIONSHIPS WITH TOP GLOBAL BRANDS



PLUS A LARGE AND UNTAPPED ADDRESSABLE BRANDS MARKET FOR U.S AND GLOBAL GROWTH



DIVERSIFYING PRODUCT OFFERINGS

Product sales by type for fiscal year 2020
(% of total pieces)

50%
JACKET

10%
CREW NECK & OTHER

19%
PANTS & SHORTS

21%
POLO

PPE Expands Addressable Market

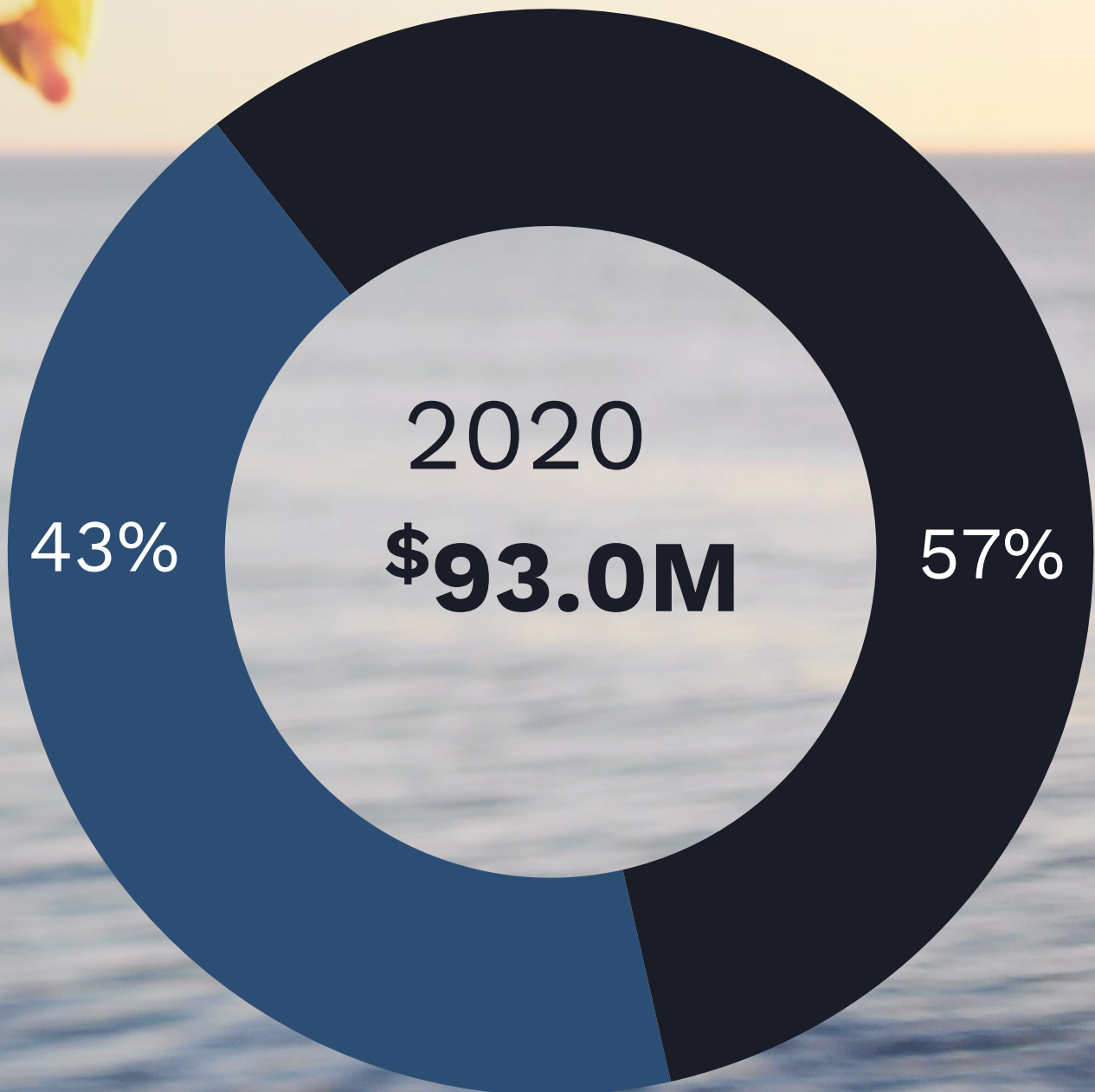
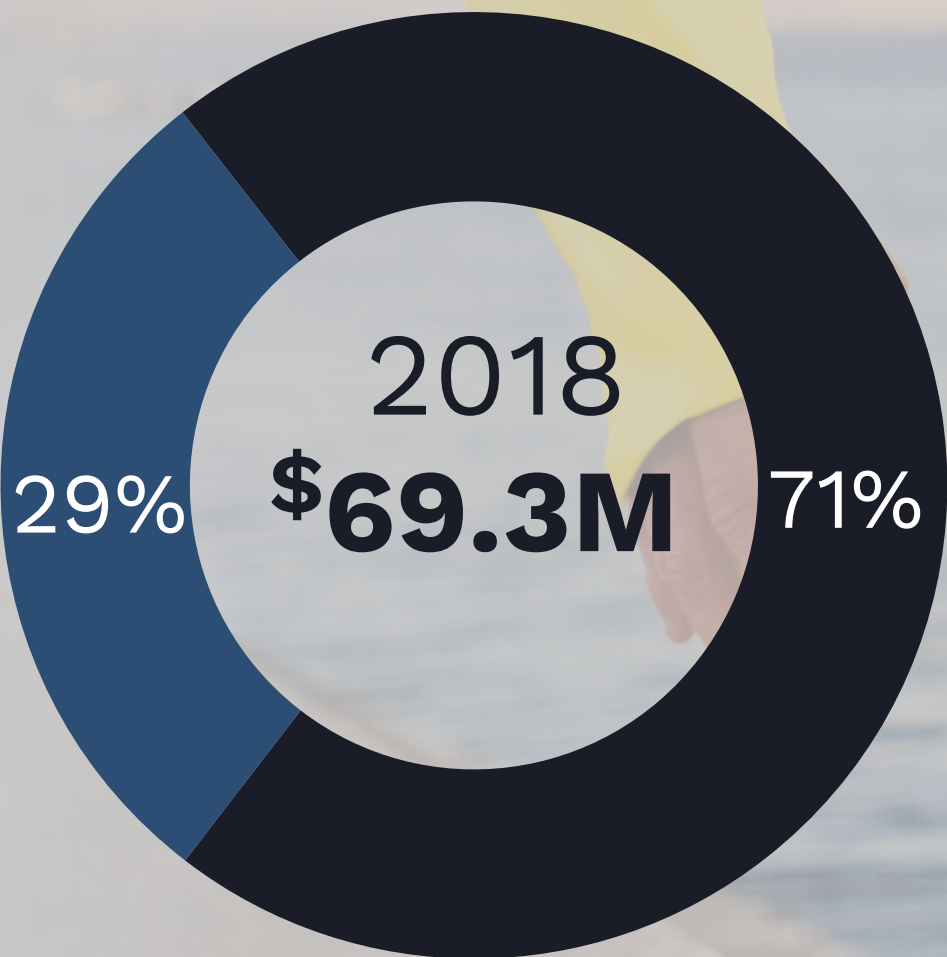
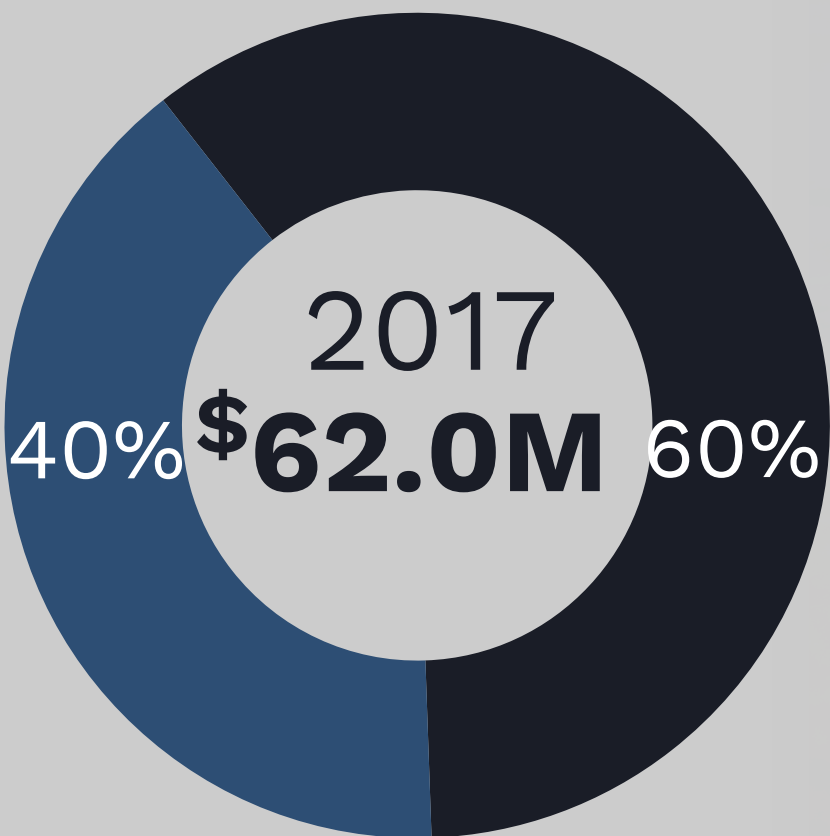
- Rapidly growing, sustainable demand
- Positioned for government tenders and high-volume fulfillment requirements
- Secured European import approvals, securing US FDA
- Scaling production of washable and disposable products in high demand
- Shipping to growing customer list in US, EU, Middle East



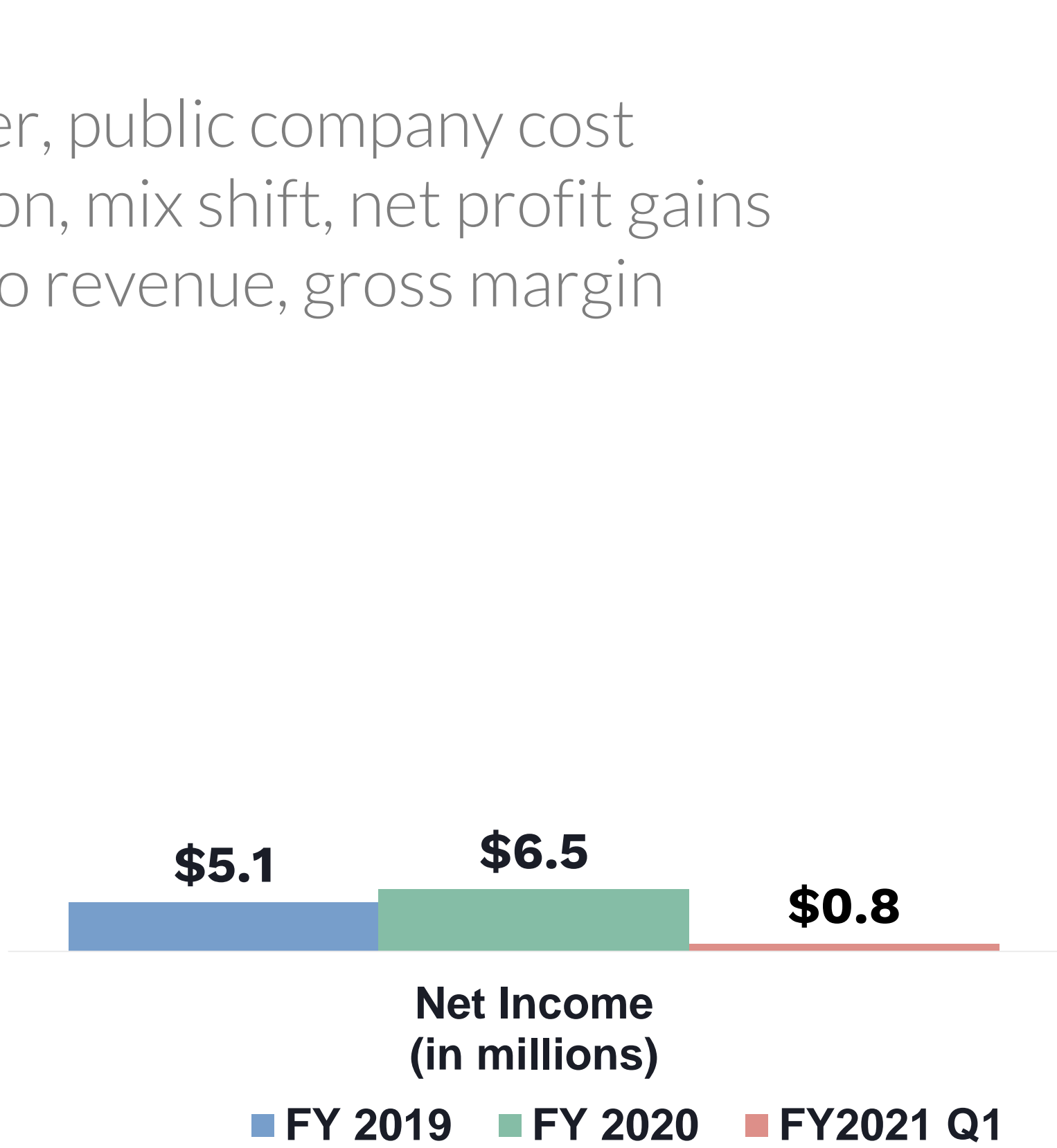
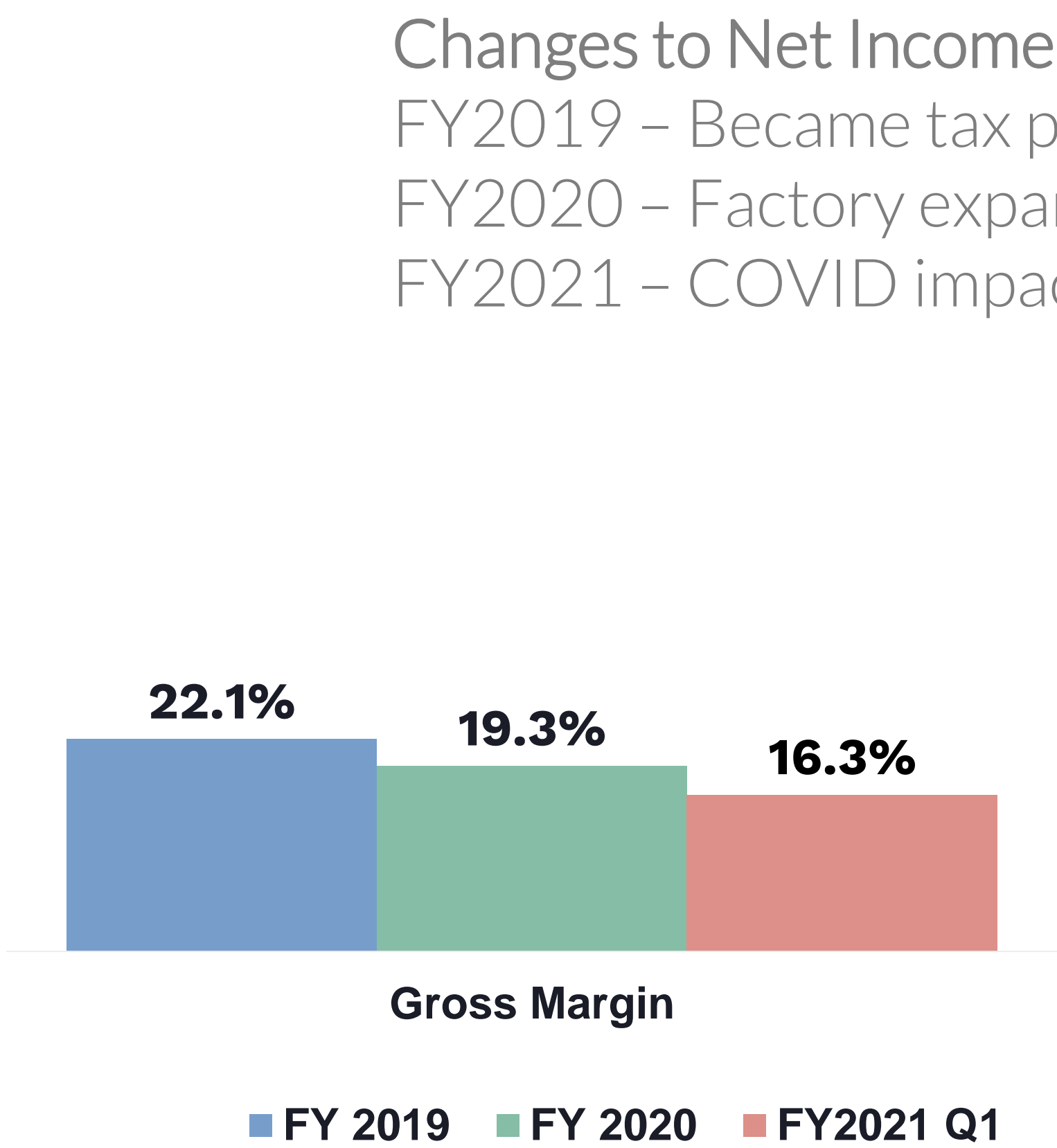
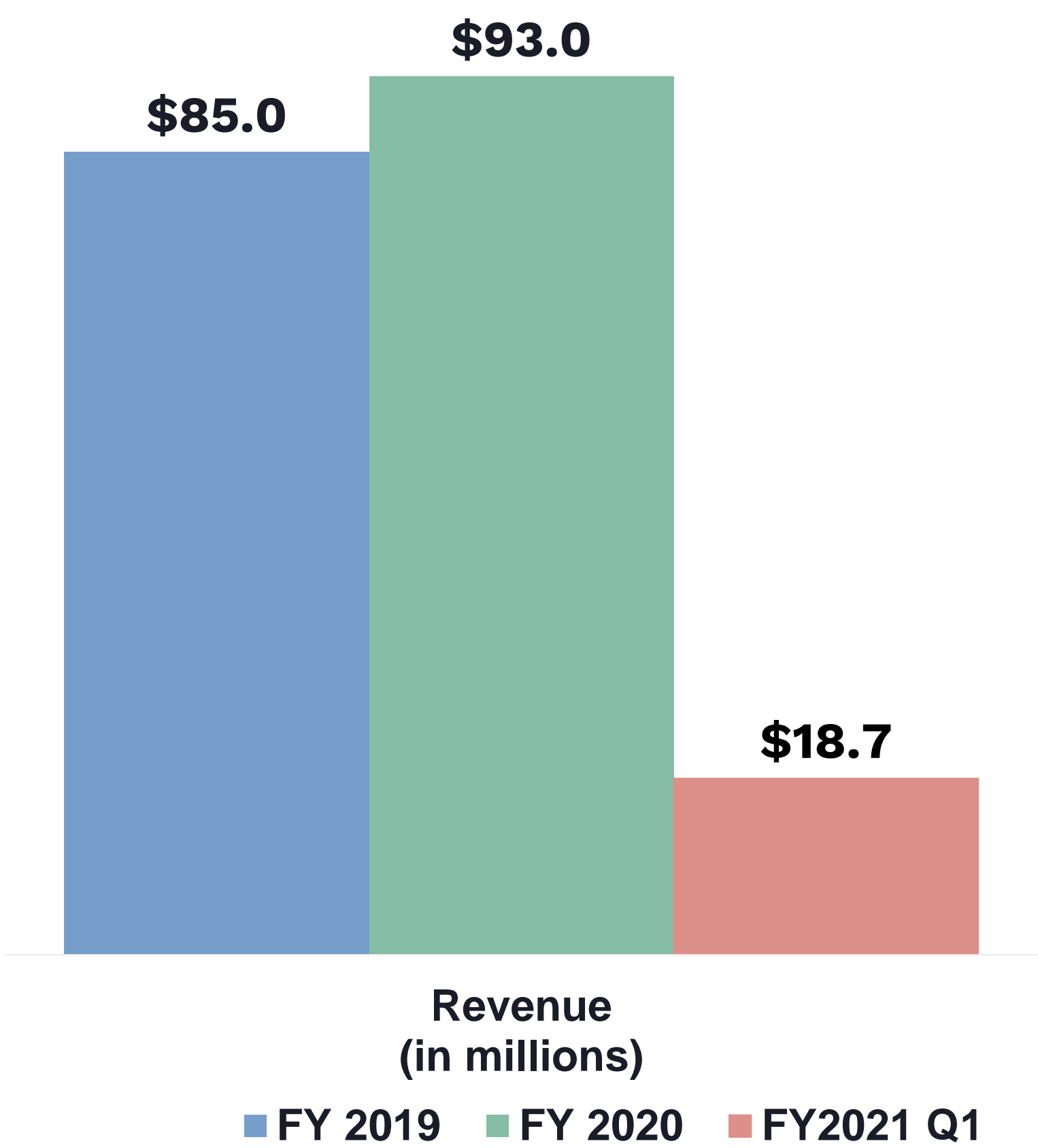
YEAR-ROUND PRODUCTIVITY

Seasonality of Products
(% of total revenue)

● 1H ● 2H



PROVEN FINANCIAL RESULTS

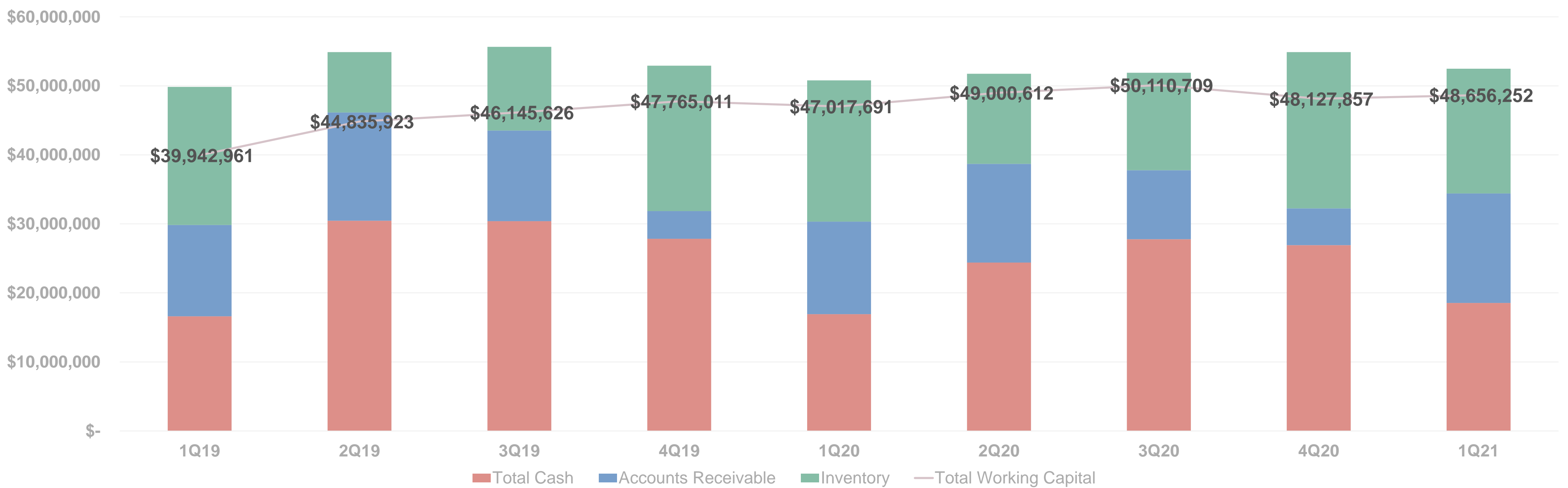


Changes to Net Income:
FY2019 – Became tax payer, public company cost
FY2020 – Factory expansion, mix shift, net profit gains
FY2021 – COVID impact to revenue, gross margin

CONSISTENT WORKING CAPITAL PERFORMANCE

External Changes to Cash Position:

Events	IPO Proceeds \$8.9M			Paramount Acq (\$1.0M)	Land Acq (\$1.3M)			
Dividends		(\$0.6M)	(\$0.6M)	(\$0.6M)	(\$0.6M)	(\$0.60M)	(\$0.6M)	(\$0.6M)



STRONG BALANCE SHEET (extracted data)

(in thousands)	June 30, 2020	June 30, 2019
Cash and Restricted Cash	\$18,505	\$16,919
Accounts Receivable	15,868	13,404
Inventories	18,077	20,471
Property, Plant & Equipment	5,927	4,053
Total Assets	\$65,374	\$60,573
Credit Facilities	\$0	\$68
Accounts Payable	2,128	2,465
Income Tax Payable	1,282	1,499
Total Liabilities	\$10,334	\$9,327
Stockholders' Equity	\$54,737	\$50,937
Liabilities and Shareholders' Equity	\$65,374	\$60,573

Jerash has \$18.5 million in cash and restricted cash with a strong balance sheet to fuel strategic growth.

Nasdaq: JRSH

Record FY2020 Results

- Record \$93.0 million revenue
- GAAP net income \$6.5 million, \$0.57 per share
- \$0.20 per share annual dividend run-rate
- Expanded capacity 23%+ to drive growth

CONTACTS

Gilbert Lee

Chief Financial Officer

gilbert.lee@jerashholdings.com

MATT KREPS

Darrow Associates Investor Relations

mkreps@darrowir.com



A PROFITABLE U.S. CORPORATION

- Nasdaq JRSB
- Market Cap \$53.6 million
- Working Capital \$48.7 million (\$18.5 million cash)
- Share Price \$4.73
- FY20 \$93M revenue, \$0.57 EPS
- Dividend \$0.20/share (annual), 4.4% Yield

A RESPONSIBLE GLOBAL PARTNER

- Living wage for multinational workforce
- Highly credentialed workplace
- Strong government/humanitarian relationships
- Trusted supplier to top global brands

REFERENCE

FINANCIAL RESULTS

<u>FY 2019</u>					
\$000's	<u>1st Qtr</u> <u>6/30</u>	<u>2nd Qtr</u> <u>9/30</u>	<u>3rd Qtr</u> <u>12/31</u>	<u>4th Qtr</u> <u>3/31</u>	<u>Annual/YTD</u>
Revenue	\$18,363	\$33,464	\$18,677	\$14,480	\$84,984
Gross Profit	25.4%	24.9%	17.1%	17.7%	22.1%
Net Income (Loss)	\$(885)	\$4,587	\$1,625	\$(215)	\$5,112
 <u>FY 2020</u>					
Revenue	\$22,527	\$30,611	\$25,447	\$14,439	\$93,024
Gross Profit	20.0%	23.9%	19.3%	8.7%	19.3%
Net Income (Loss)	\$1,549	\$3,589	\$2,073	\$(741)	\$6,475
 <u>FY 2021</u>					
Revenue	\$18,707				\$18,707
Gross Profit	16.3%				16.3%
Net Income (Loss)	\$814				\$814

No Tariff Engineering Required



Other Global Producers

Design/Manufacturing

- Add a super-thin sheath of fabric to a boot sole to cut a 37.5% tariff on rubber soles to 12.5%.
- Add water resistance to a jacket to cut a 27.7% tariff to 7.1%.
- Fill a jacket at least 10 percent by weight with down, to get a tariff down to 4.4%.

Location

- Produce in countries with lower quality, higher return rates, to cut costs.

Pricing

- Pass through tariff costs to customers as higher prices.



Jerash Customers

- Produce with Jerash in Jordan, pay 0% tariff.
- Maintain product integrity as designed.

- Proven high quality manufacturing, near zero defect rate.

- Reflect tariff savings as added profit or lower prices.

US QIZ AND EU FTA ADVANTAGES



UNITED STATES QUALIFYING INDUSTRIAL ZONE¹

- Established in 2000 under Bill Clinton
- Provides for free movement of industrial goods between Jordan and the USA
- Saved \$18 million in tariffs for The North Face brand in last fiscal year



EUROPEAN UNION FREE TRADE AREA²

- Established in 2002, updated 2018
- Provides for free movement of industrial goods between Jordan and the EU
- Strategic opportunity to grow non-US sales

1. For additional information: <http://web.ita.doc.gov/tacgi/fta.nsf/7a9d3143265673ee85257a0700667a6f/196ed79f4f79ac0085257a070066961d>

2. For additional information: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/jordan/>