

DICE Retail (Underwear) Report H1 - 2021 Earnings

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DICE Underwear Report H1 - 2021 Earnings

Despite of the Corona Virus (COVID-19) pandemic, Retail sales increased by 16.8% Y-o-Y increasing reach EGP 166.9 mn in H1-2021 coupled with H1-2020 Y-o-Y.

Highlights for H1-2021

<p>Revenue EGP 166.9mn ▲ 16.8% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 50mn ▲ 13% y-o-y 30% GP Margin</p>
<p>EBITDA EGP 22mn ▼ -8% y-o-y 13.2% EBITDA Margin</p>	<p>Net Profit EGP 9.9mn ▼ -10.3% y-o-y 5.9% NP Margin</p>

Highlights for H1 - 2020

<p>Revenue EGP 142.9mn ▼ -3.2% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 44.2mn ▼ -27.5% y-o-y 31% GP Margin</p>
<p>EBITDA EGP 23.9mn ▼ -31.8% y-o-y 16.8% EBITDA Margin</p>	<p>Net Profit EGP 11.1mn ▼ -43.1% y-o-y 7.7% NP Margin</p>

we focused on outlet sales that has low-sales price with discount starting from 2020 to increase sales volume and reduce inventory (page 4).

□ Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2020	Q2-2021	Q2-2020	H1-2021	H1-2020
Revenue	351.8	93.0	81.4	166.9	142.9
y-o-y growth, %	3.2%	14.2%	0.6%	16.8%	-3.2%
Gross Profit	81.2	28.4	27.2	50.0	44.2
GPM, %	23.1%	30.5%	33.4%	30.0%	31.0%
EBITDA	38.8	9.6	15.6	22.0	23.9
EBITDA Margin, %	11.0%	10.3%	19.2%	13.2%	16.8%
Net Profit	17.5	3.4	8.1	9.9	11.1
NPM, %	5.0%	3.7%	10.0%	5.9%	7.7%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2020	Q2-2021	Q2-2020	H1-2021	H1-2020
Total Number of Stores	283	274	263	274	263
o/w Rented	58	61	62	61	62
Rented %	20.5%	22.3%	23.6%	22.3%	23.6%
o/w Franchised	225	213	201	213	201
Franchise %	79.5%	77.7%	76.4%	77.7%	76.4%
Total Number of Pieces (000s)	15,873	3,819	3,868	6,810	6,148
y-o-y growth, %	27.4%	-1.3%	28.6%	10.8%	10.9%
Avg. Price (EGP) / Piece	22.2	24.3	21.0	24.5	23.2
y-o-y growth, %	-19.0%	15.7%	-21.8%	5.5%	-12.7%
Total Revenue	351,817	92,994	81,400	166,875	142,865
y-o-y growth, %	3.2%	14.2%	0.6%	16.8%	-3.2%
% of Total Revenue	28.5%	25.2%	44.0%	25.0%	32.1%
Gross Profit	81,185	26,798	27,194	49,986	44,240
Gross Profit Margin, %	23.1%	28.8%	33.4%	30.0%	31.0%

-In H1- 2021, the retail segment significant y-o-y increasing in revenue, reaching 166.9 mn increase by 16.8% & increasing in sales volume by a 10.8% compared to H1 - 2020 due to negative effects from Corona virus (covid-19) in 2020 It had a stronger effect.

-,DICE maintained competitive price levels to eat up market share so retail gross profit H1-2021 increase to 50 mn, up 30% of retail sales compared to H1-2020.

-During H1-2021, the retail sales component of the pieces changed, leading to increase in the average selling price of the piece and increase in the number of produced pieces compared to H1-2020.



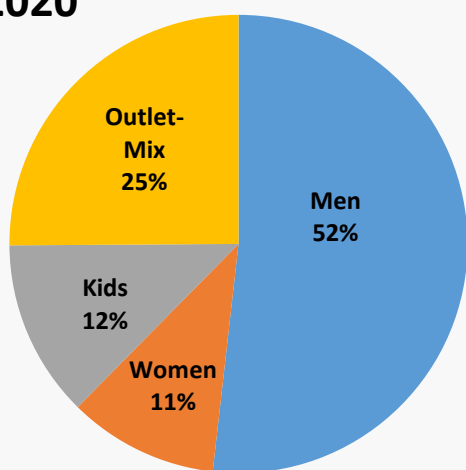
□ Sales Mix - client

In Dice underwear sales with the increase in the quantity and increase in value of sales in H1-2021 compared to H1-2020, we find a change in the mix rates of sales to increase the share of kids & men sales and decrease the share of outlet & women sales.

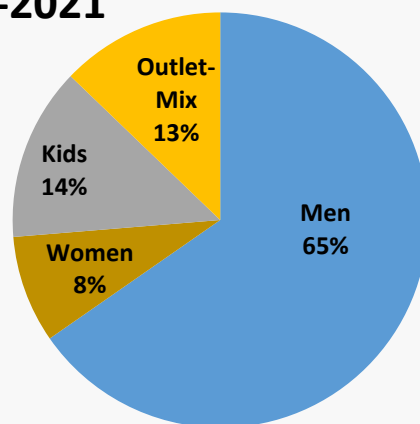
Therefore, the company's management seeks to maximize the share of women's sales during the coming period.

Sales Mix - Quantity

H1-2020

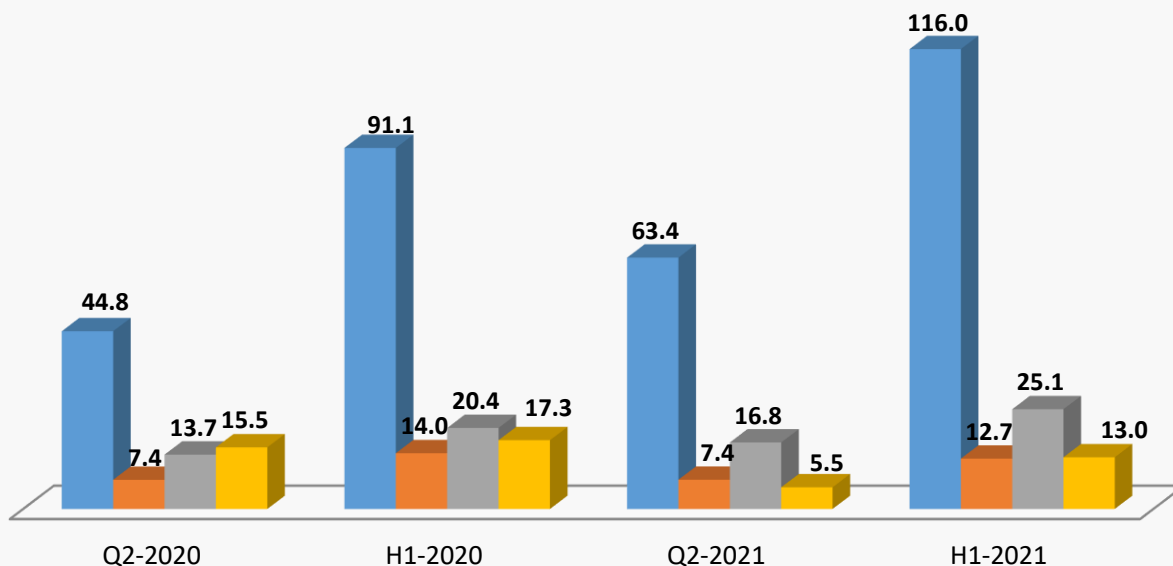


H1-2021



Sales Mix – Value (EGP, mn)

■ Men ■ Women ■ Kids ■ Outlet-Mix



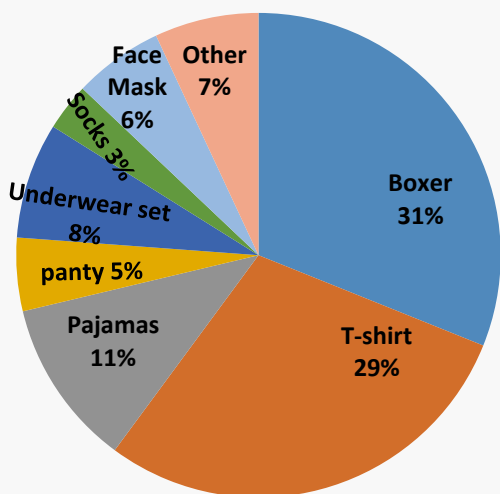


□ Sales Mix - type

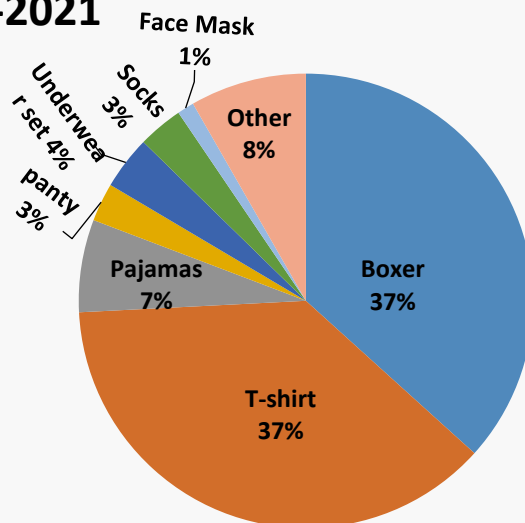
In Dice underwear sales with the increase in the value of sales in H1- 2021 compared to H1- 2020, we find a change in the mix rates of as shown in the diagram.

It should be noted that Dice, in response to market requirements and the repercussions of Coronavirus (covid19), added a new item to Dice products the face mask , which began production in the second quarter of 2020 and acquired a share of 1% of retail sales in H1-2021.

H1-2020

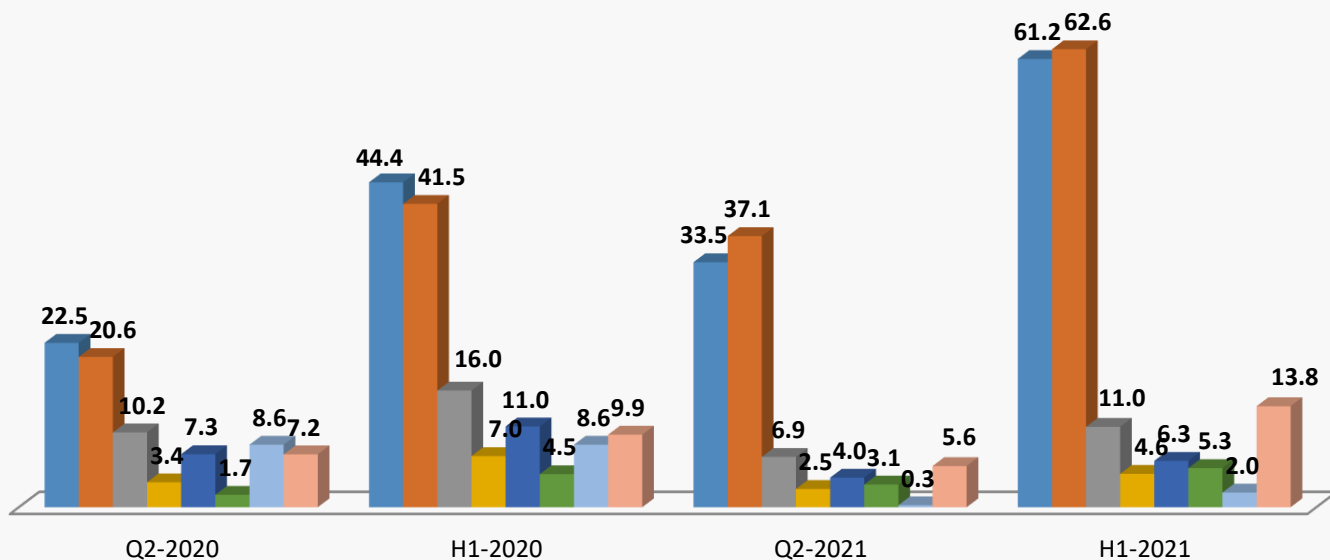


H1-2021



Sales Mix – type (EGP, mn)

■ Boxer ■ T-shirt ■ Pajamas ■ panty ■ Underwear set ■ Socks ■ Face Mask ■ Other



□ sale points

DICE management succeed to maximize the volume of Dice underwear sales for the previous years through two main axes:

- **The first axis**

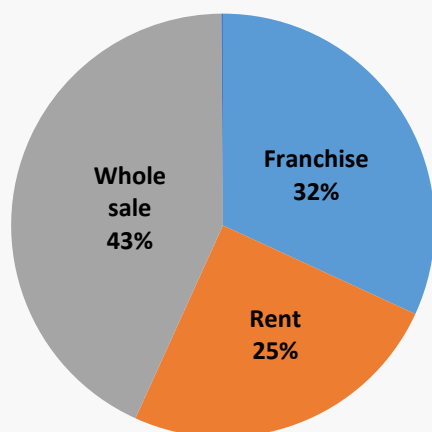
increase of production facilities that allocated for the DICE underwear production.

- **The second axis**

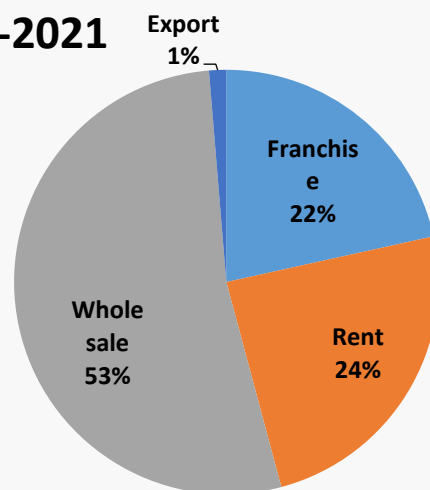
through the basic selling points of the activity as following:

- Increase the number of booth rent & franchise shops with more geographical distribution.
 - Focus with wholesaler the main indicator for market demand & comply their needs & furnish them with requested range of products in timely manner.
 - The company seeks to have a share outside of Egypt of the global market for underwear, in brand DICE whether in Arab or European countries.
- However, this growth was negatively affected, contrary to what was expected, due to the outbreak of the Corona virus during 2020 till now & This clearly shows the cancellation of exhibitions and the absence of export Underwear sales with a small number in Q1-2021.

H1-2020

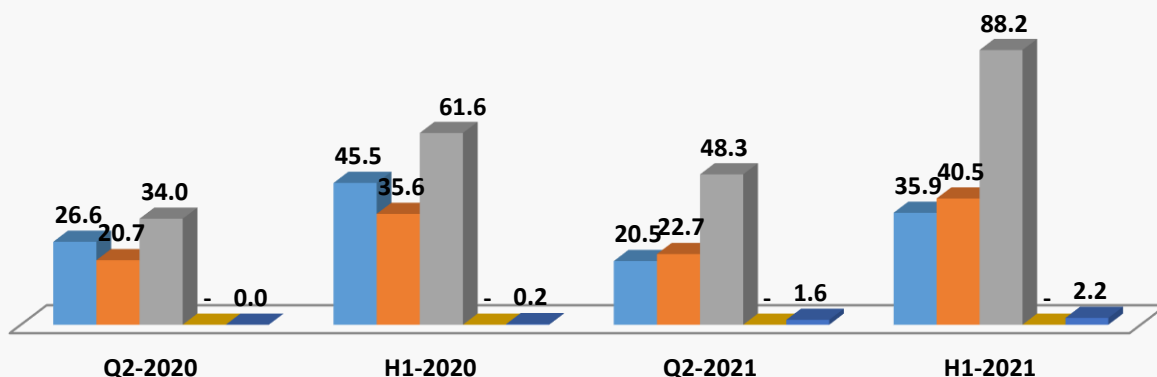


H1-2021



Sales Point – (EGP, mn)

■ Franchise ■ Rent ■ Whole sale ■ Exhibitions ■ Export



□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **274 retail stores** distributed across **20 governorates** as of H1- 2021.
- Increase penetration of DICE retail store network, through both owned and franchised stores while reshuffling certain store locations to attract the highest foot traffic .
- Continuous development of new product designs and migration towards higher price point SKUs.
- Expand the women’s underwear segment within the DICE retail brand.
- Explore exporting DICE retail brands to neighboring countries .
- A website has been created to sell online www.diceunderwear.com

About DICE Sport and Casual Wear S.A.E.

DICE Sport and Casual Wear, founded in 1989, is a leading garment manufacturer, serving multiple clients primarily in Europe, from operating facilities in Egypt. The Company offers a manufacturing value chain comprising knitting, sewing, dyeing, printing, and a retail brand. The Company has 13 owned manufacturing facilities, and 274 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

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