

DICE Retail (Underwear) Report H1-2022 Earnings

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DICE Underwear Report H1-2022 Earnings

Retail sales increased by 23.7% Y-o-Y increasing reach EGP 206.5 mn in H1-2022 coupled with H1-2021 Y-o-Y.

Highlights for H1-2022

<p>Revenue EGP 206.5mn ▲ 23.7% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 59.09mn ▲ 18.2% y-o-y 28.6% GP Margin</p>
<p>EBITDA EGP 26.4mn ▲ 20.1% y-o-y 12.8% EBITDA Margin</p>	<p>Net Profit EGP 10.2mn ▲ 3.2% y-o-y 5% NP Margin</p>

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>

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	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Revenue	391.2	111.6	93.0	206.5	166.9
y-o-y growth, %	11.2%	20.0%	14.2%	23.7%	16.8%
Gross Profit	110.4	37.1	28.4	59.09	50.0
GPM, %	28.2%	33.2%	30.5%	28.6%	30.0%
EBITDA	42.7	16.9	9.6	26.4	22.0
EBITDA Margin, %	10.9%	15.2%	10.3%	12.8%	13.2%
Net Profit	22.2	7.9	3.4	10.2	9.9
NPM, %	5.7%	7.1%	3.7%	5.0%	5.9%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Total Number of Stores	333	339	274	339	274
o/w Rented	63	68	61	68	61
Rented %	18.9%	20.1%	22.3%	20.1%	22.3%
o/w Franchised	270	271	213	271	213
Franchise %	81.1%	79.9%	77.7%	79.9%	77.7%
Total Number of Pieces (000s)	15,174	3,580	3,819	7,661	6,810
y-o-y growth, %	-4.4%	-6.3%	-1.3%	12.5%	10.8%
Avg. Price (EGP) / Piece	25.8	31.2	24.3	26.9	24.5
y-o-y growth, %	16.3%	28.0%	15.7%	10.0%	5.5%
Total Revenue	391,169	111,592	92,994	206,469	166,875
y-o-y growth, %	11.2%	20.0%	14.2%	23.7%	16.8%
% of Total Revenue	24.5%	21.5%	25.2%	22.8%	25.0%
Gross Profit	110,373	37,099	26,798	59,090	49,986
Gross Profit Margin, %	28.2%	33.2%	28.8%	28.6%	30.0%

-In H1-2022, the retail segment significant y-o-y increasing in revenue, reaching 206.5 mn increase by 23.7% & increasing in sales volume by a 12.5% compared to H1-2021 due to change in the mix rates of pieces sold.

-,DICE maintained competitive price levels to eat up market share so retail gross profit H1-2022 decrease to 59.1 mn, up 28.6% of retail sales compared to H1-2021.

-During H1-2022, the retail sales component of the pieces changed, leading to increase in the average selling price of the piece 10% and increase in the number of produced pieces in H1-2022 by 12.5% compared to H1-2021.



□ Sales Mix - client

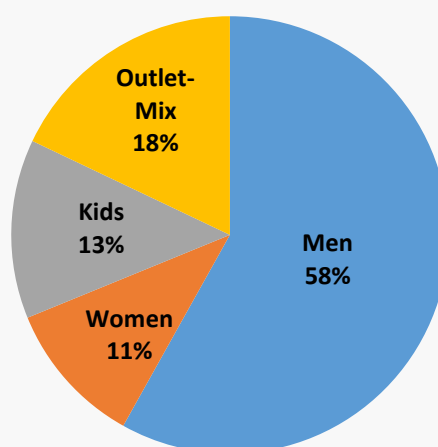
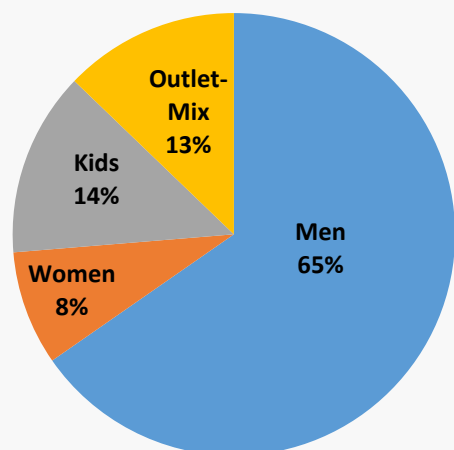
In Dice underwear sales with the increase in the quantity and increase in value of sales in H1-2022 compared to H1-2021, we find a change in the mix rates of sales to increase the share of outlet & women sales and decrease the share of men & kids sales.

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

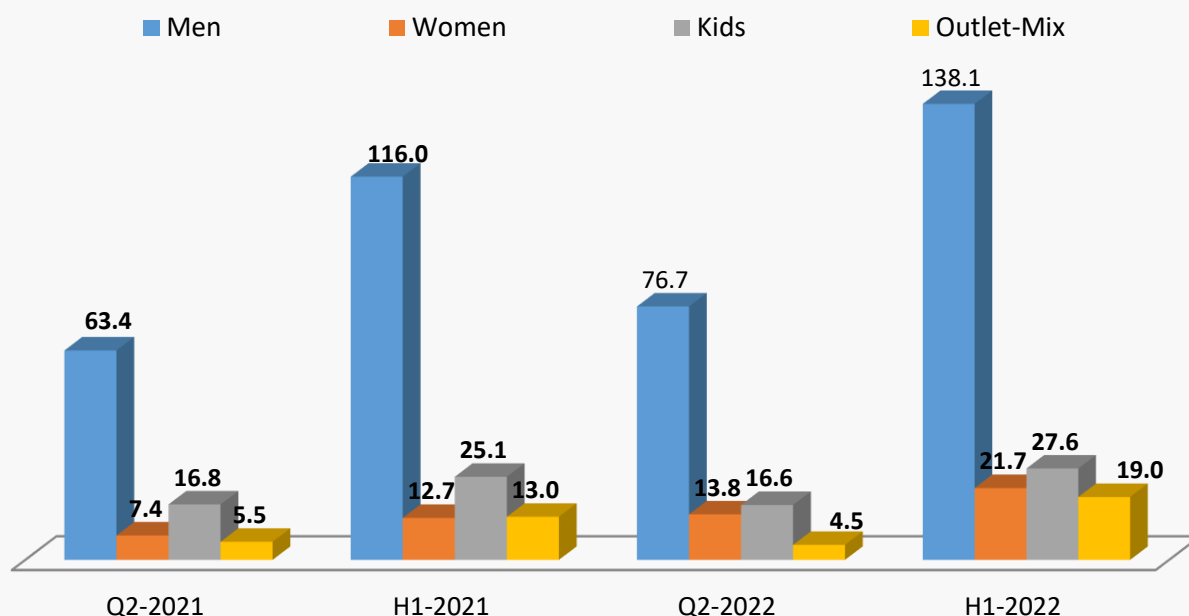
Sales Mix - Quantity

H1-2021

H1-2022



Sales Mix – Value (EGP, mn)



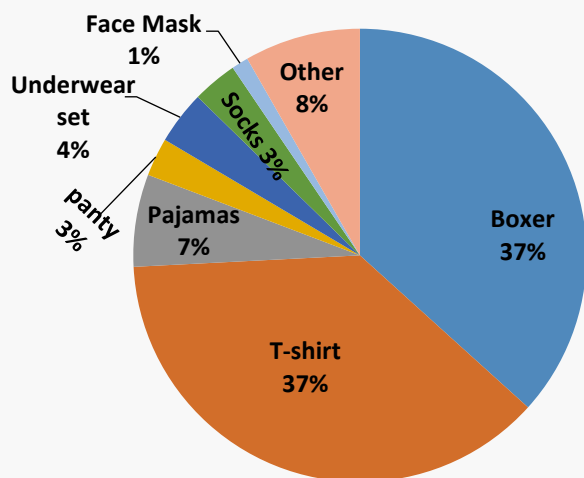


□ Sales Mix - type

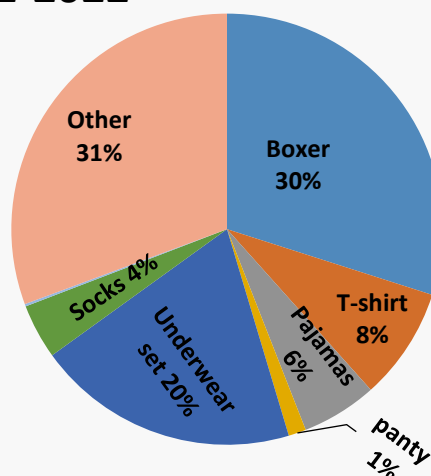
- In Dice underwear sales with the increase in the value of sales in H1-2022 compared to H1-2021, we find a change in the mix rates of pieces sold as shown in the diagram.

- In response to the company's desire to increase the sales of female products extensive market research has been conducted the results of this research have translated to the introduction of various new products such as "bra, sports bra, women underwear set " as well as the development of women bottoms this move is expected to shifts the perception that dice is purely just a men's brand and subsequently increase our sales for the coming quarter by expanding our target market

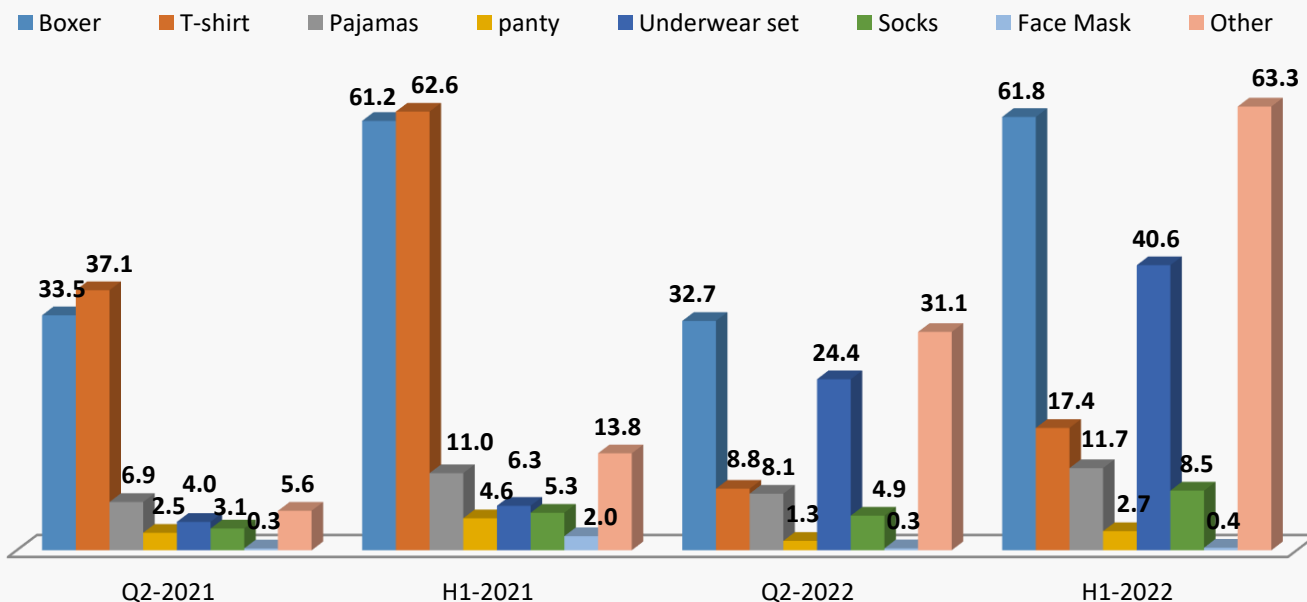
H1-2021



H1-2022



Sales Mix – type (EGP, mn)



□ 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.

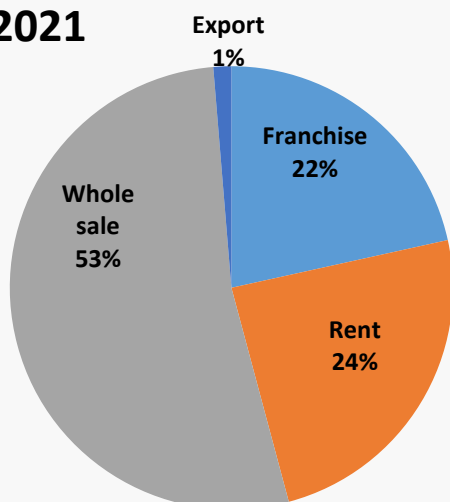
- **The second axis**

through the basic selling points of the activity as following:

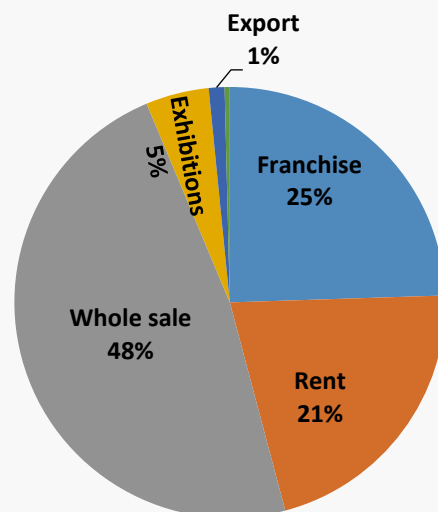
- Increase the number of booth rent & franchise shops with more geographical distribution.
- Focus with wholesaler the main indicator for market demand & comply their needs & furnish them with requested range of products in timely manner.
- The company seeks to have a share outside of Egypt of the global market for underwear, in brand DICE whether in Arab or European countries.

➤ It is noted from the following graph for H1- 2022 that after the end of the negative impact of the Corona virus, exhibition sales returned to occupy 5% of the sales value.

H1- 2021

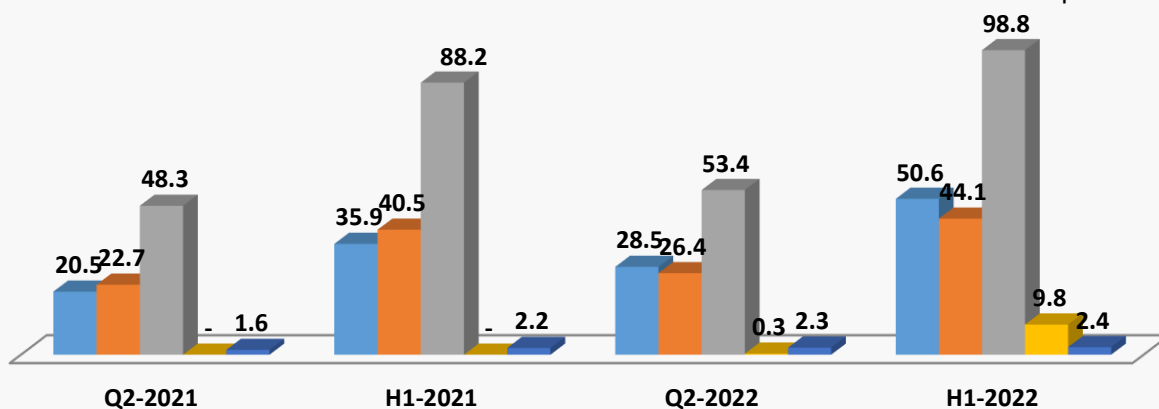


H1-2022



Sales Point – (EGP, mn)

■ Franchise ■ Rent ■ Whole sale ■ Exhibitions ■ Export



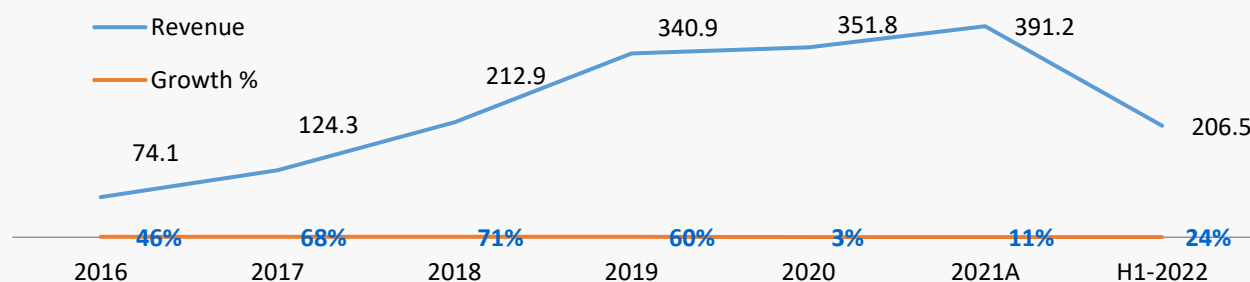
□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **339 retail stores** distributed across **20 governorates** as end of 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 339 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

Growth retail sales



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