

DICE Retail (Underwear) Report 9M - 2021 Earnings

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DICE Underwear Report 9M - 2021 Earnings

Despite of the Corona Virus (COVID-19) pandemic, Retail sales increased by 7.5% Y-o-Y increasing reach EGP 275.7 mn in 9M-2021 coupled with 9M-2020 Y-o-Y.

Highlights for 9M-2021

<p>Revenue EGP 275.7mn ▲ 7.5% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 84.9mn ▲ 2.2% y-o-y 30.8% GP Margin</p>
<p>EBITDA EGP 37.6mn ▼ -28.8% y-o-y 13.6% EBITDA Margin</p>	<p>Net Profit EGP 19.4mn ▼ -33.6% y-o-y 7% NP Margin</p>

Highlights for 9M - 2020

<p>Revenue EGP 256.5mn ▼ 5.9% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 83.1mn ▼ -14.4% y-o-y 32.4% GP Margin</p>
<p>EBITDA EGP 52.8mn ▲ 0.5% y-o-y 20.6% EBITDA Margin</p>	<p>Net Profit EGP 29.2mn ▲ 3.2% y-o-y 11.4% 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	Q3-2021	Q3-2020	9M-2021	9M-2020
Revenue	351.8	108.8	113.6	275.7	256.5
y-o-y growth, %	3.2%	-4.2%	20.0%	7.5%	5.9%
Gross Profit	81.2	34.9	38.8	84.9	83.1
GPM, %	23.1%	32.1%	34.2%	30.8%	32.4%
EBITDA	38.8	15.6	28.9	37.6	52.8
EBITDA Margin, %	11.0%	14.3%	25.4%	13.6%	20.6%
Net Profit	17.5	9.5	18.1	19.4	29.2
NPM, %	5.0%	8.7%	16.0%	7.0%	11.4%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2020	Q3-2021	Q3-2020	9M-2021	9M-2020
Total Number of Stores	283	303	275	303	275
o/w Rented	58	68	59	68	59
Rented %	20.5%	22.4%	21.5%	22.4%	21.5%
o/w Franchised	225	235	216	235	216
Franchise %	79.5%	77.6%	78.5%	77.6%	78.5%
Total Number of Pieces (000s)	15,873	4,155	6,068	10,965	12,217
y-o-y growth, %	27.4%	-31.5%	68.3%	-10.2%	33.5%
Avg. Price (EGP) / Piece	22.2	26.2	18.7	25.1	21.0
y-o-y growth, %	-19.0%	39.8%	-28.7%	19.8%	-20.7%
Total Revenue	351,817	108,817	113,642	275,693	256,507
y-o-y growth, %	3.2%	-4.2%	20.0%	7.5%	5.9%
% of Total Revenue	28.5%	24.3%	29.4%	24.8%	30.8%
Gross Profit	81,185	34,884	38,841	84,871	83,081
Gross Profit Margin, %	23.1%	32.1%	34.2%	30.8%	32.4%

-In 9M- 2021, the retail segment significant y-o-y increasing in revenue, reaching 275.7 mn increase by 7.5% & decreasing in sales volume by a 10.2% compared to 9M - 2020 due to change in the mix rates of pieces sold.

-,DICE maintained competitive price levels to eat up market share so retail gross profit 9M-2021 increase to 84.9 mn, up 30.8% of retail sales compared to 9M-2020.

-During 9M-2021, the retail sales component of the pieces changed, leading to increase in the average selling price of the piece 19.8% and decrease in the number of produced pieces compared to 9M-2020.



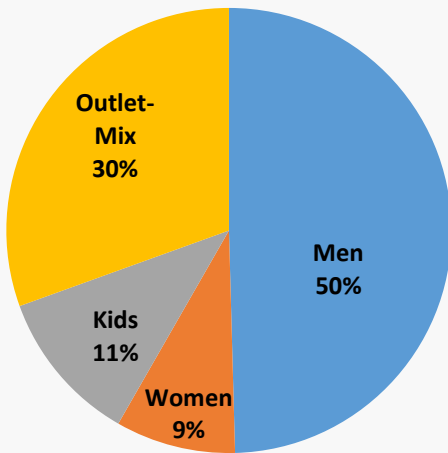
□ Sales Mix - client

In Dice underwear sales with the decrease in the quantity and increase in value of sales in 9M-2021 compared to 9M-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.

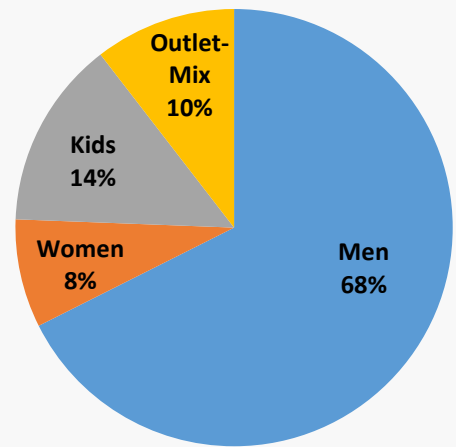
Therefore, the company's management seeks to maximize the share of women's sales during the coming period.

Sales Mix - Quantity

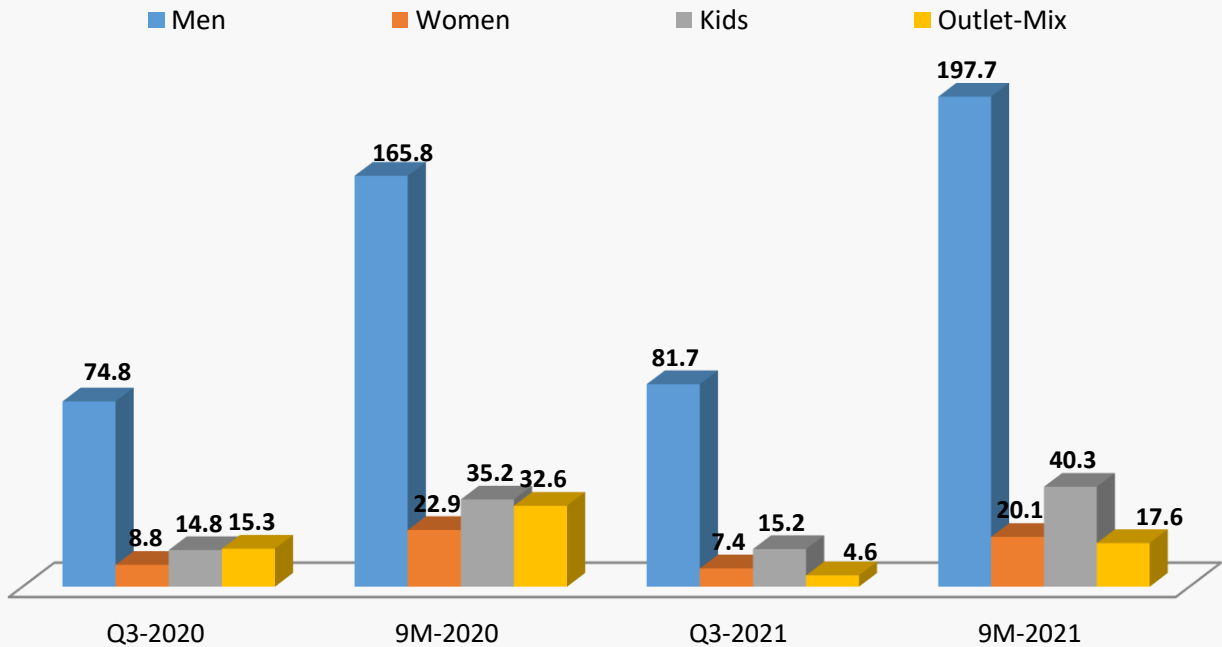
9M-2020



9M-2021



Sales Mix – Value (EGP, mn)



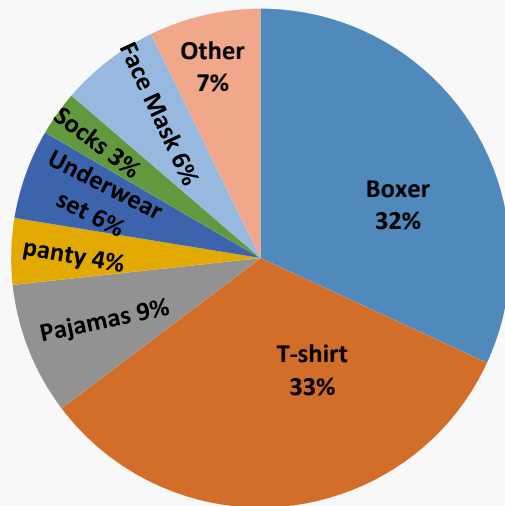


□ Sales Mix - type

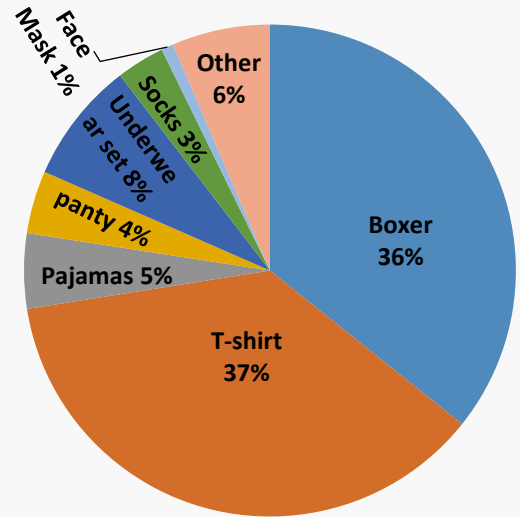
In Dice underwear sales with the increase in the value of sales in 9M- 2021 compared to 9M- 2020, we find a change in the mix rates of pieces sold as shown in the diagram.

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 9M-2021.

9M-2020

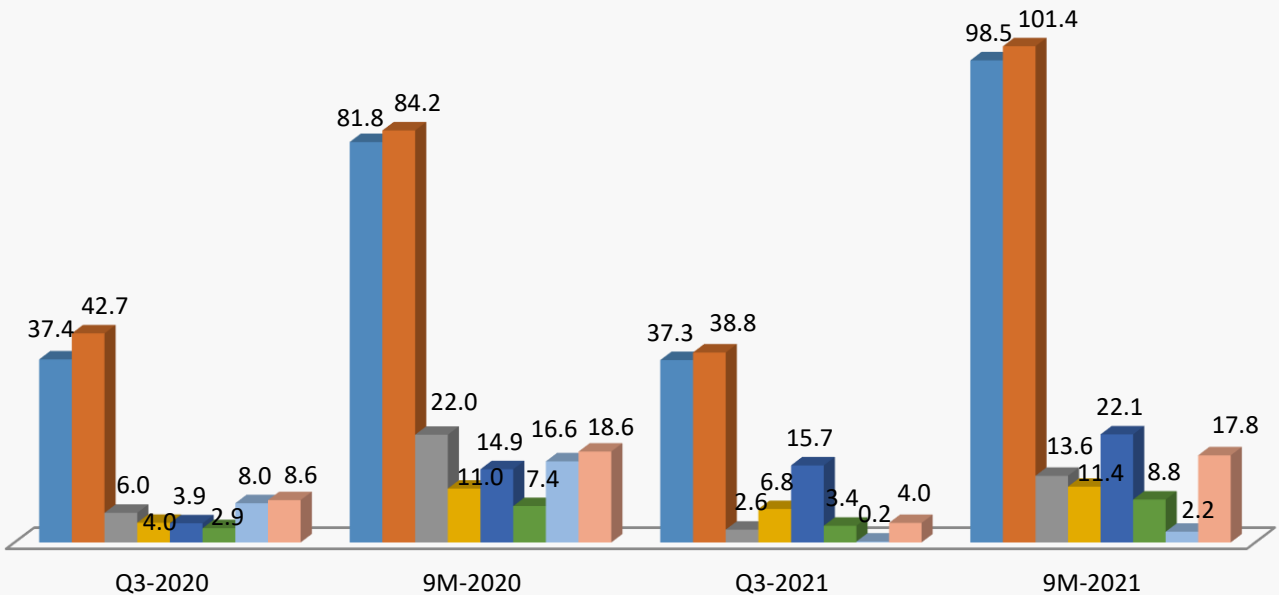


9M-2021



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.

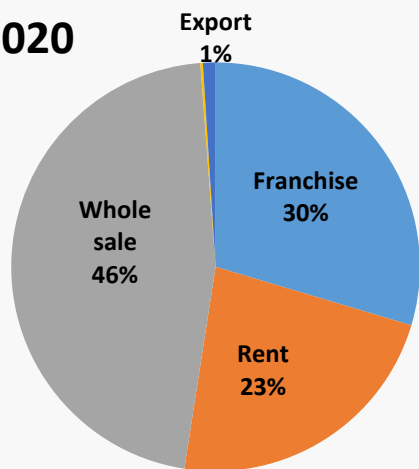
- **The second axis**

through the basic selling points of the activity as following:

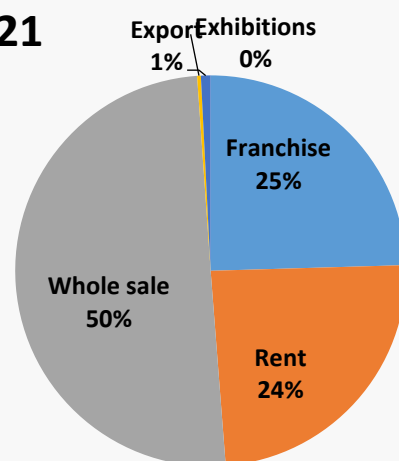
- Increase the number of booth rent & franchise shops with more geographical distribution.
- Focus with wholesaler the main indicator for market demand & comply their needs & furnish them with requested range of products in timely manner.
- The company seeks to have a share outside of Egypt of the global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

9M-2020

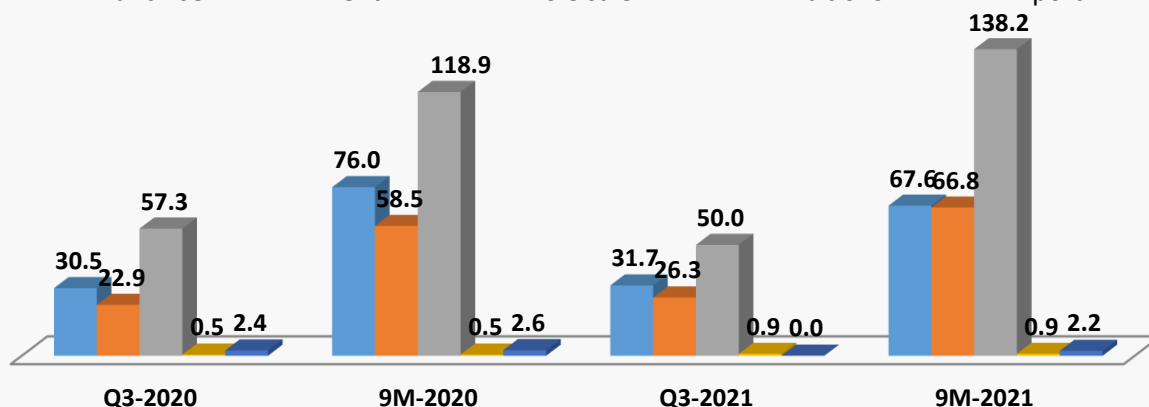


9M-2021



Sales Point – (EGP, mn)

■ Franchise ■ Rent ■ Whole sale ■ Exhibitions ■ Export



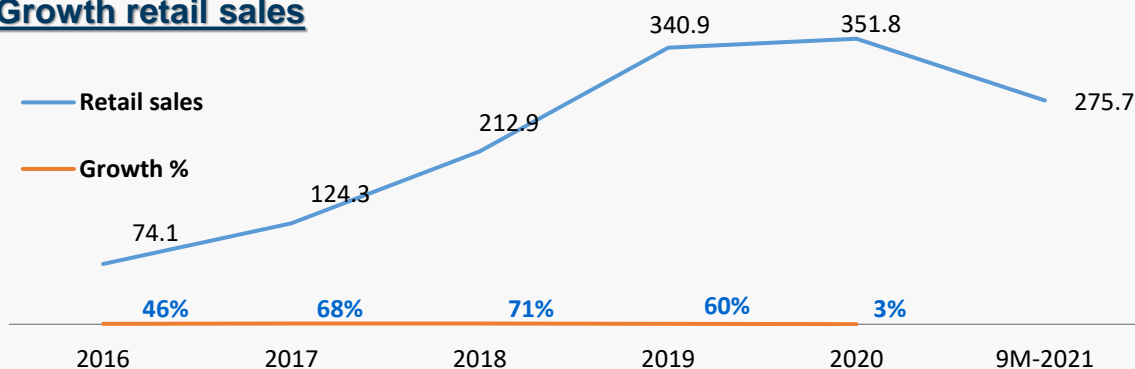
□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **303 retail stores** distributed across **20 governorates** as end of 9M- 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 303 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

Growth retail sales



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