

DICE Retail (Underwear) Report 9M-2022 Earnings

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DICE Underwear Report 9M-2022 Earnings

Retail sales increased by 21.1% Y-o-Y increasing reach EGP 333.9 mn in 9M-2022 coupled with 9M-2021 Y-o-Y.

Highlights for 9M-2022

<p>Revenue EGP 333.9mn ▲ 21.1% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 93.83mn ▲ 10.6% y-o-y 28.1% GP Margin</p>
<p>EBITDA EGP 41.2mn ▲ 9.7% y-o-y 12.4% EBITDA Margin</p>	<p>Net Profit EGP 15.6mn ▼ 25.2% y-o-y 4.7% NP Margin</p>

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 20.8mn ▼ -28.8% y-o-y 7.5% 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	Q3-2022	Q3-2021	9M-2022	9M-2021
Revenue	391.2	127.5	108.8	333.9	275.7
y-o-y growth, %	11.2%	17.1%	-4.2%	21.1%	7.5%
Gross Profit	110.4	34.7	34.9	93.83	84.9
GPM, %	28.2%	27.3%	32.1%	28.1%	30.8%
EBITDA	42.7	14.8	15.6	41.2	37.6
EBITDA Margin, %	10.9%	11.6%	14.3%	12.4%	13.6%
Net Profit	22.2	5.3	10.9	15.6	20.8
NPM, %	5.7%	4.2%	10.0%	4.7%	7.5%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2021	Q3-2022	Q3-2021	9M-2022	9M-2021
Total Number of Stores	333	343	303	343	303
o/w Rented	63	71	68	71	68
Rented %	18.9%	20.7%	22.4%	20.7%	22.4%
o/w Franchised	270	272	235	272	235
Franchise %	81.1%	79.3%	77.6%	79.3%	77.6%
Total Number of Pieces (000s)	15,174	3,802	4,155	11,463	10,965
y-o-y growth, %	-4.4%	-8.5%	-31.5%	4.5%	-10.2%
Avg. Price (EGP) / Piece	25.8	33.5	26.2	29.1	25.1
y-o-y growth, %	16.3%	28.0%	39.8%	15.9%	19.8%
Total Revenue	391,169	127,451	108,817	333,920	275,693
y-o-y growth, %	11.2%	17.1%	-4.2%	21.1%	7.5%
% of Total Revenue	24.5%	22.9%	24.3%	22.9%	24.8%
Gross Profit	110,373	34,679	34,884	93,769	84,871
Gross Profit Margin, %	28.2%	27.2%	32.1%	28.1%	30.8%

-In 9M-2022, the retail segment significant y-o-y increasing in revenue, reaching 333.9 mn increase by 21.1% & increasing in sales volume by a 4.5% compared to 9M-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 9M-2022 increase to 93.8 mn, up 28.1% of retail sales compared to 9M-2021.

-During 9M-2022, the retail sales component of the pieces changed, leading to increase in the average selling price of the piece 15.9% and increase in the number of produced pieces in 9M-2022 by 4.5% compared to 9M-2021.



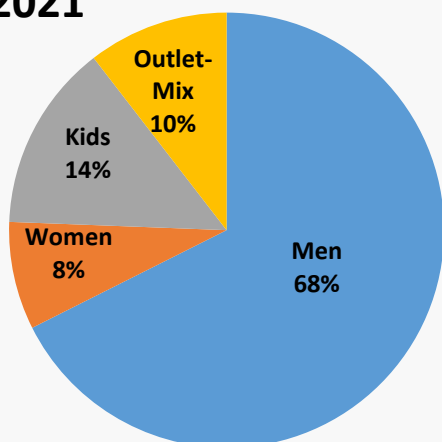
□ Sales Mix - client

In Dice underwear sales with the increase in the quantity and increase in value of sales in 9M-2022 compared to 9M-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 sales.

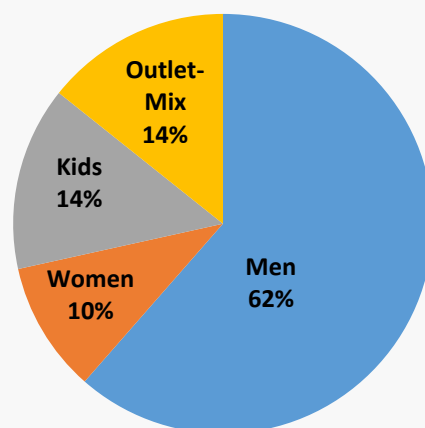
Therefore, the company's management seeks to maximize the share of women's sales during the coming period.

Sales Mix - Quantity

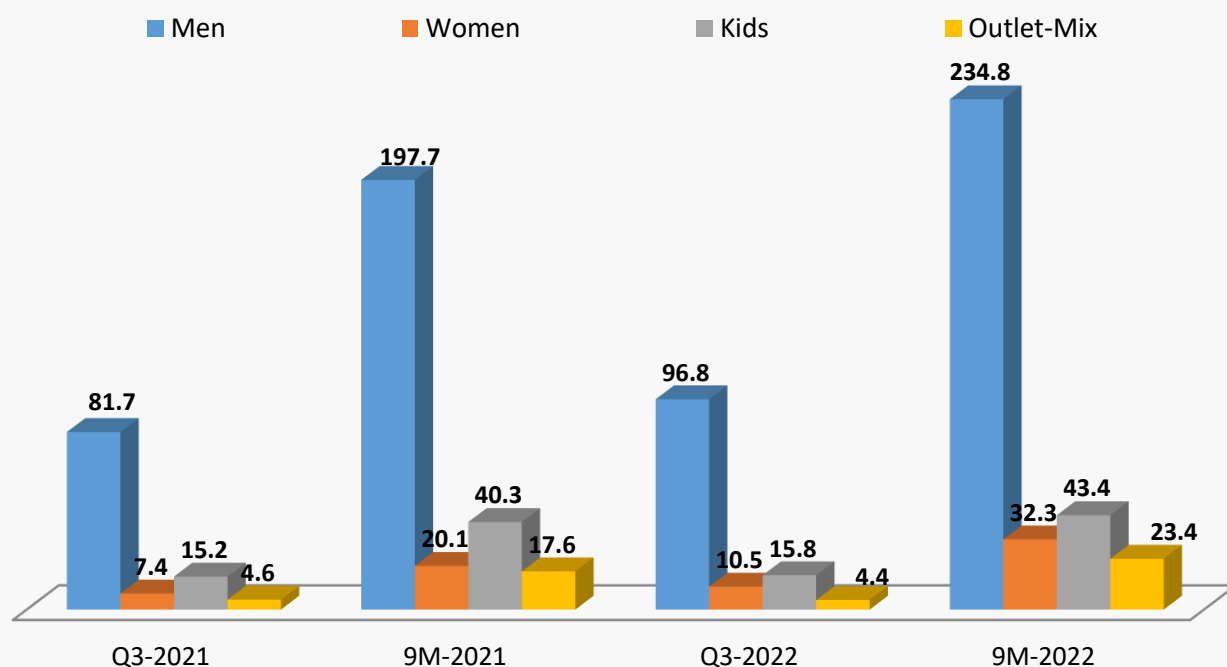
9M-2021



9M-2022



Sales Mix – Value (EGP, mn)



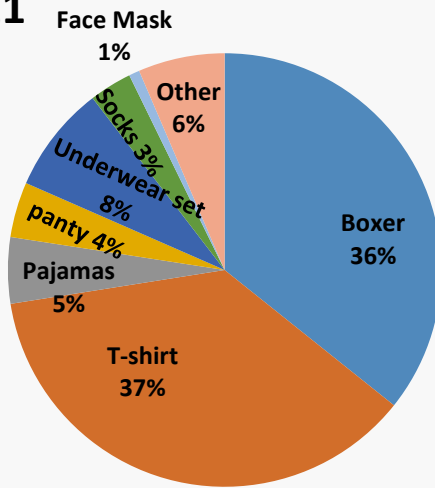


□ Sales Mix - type

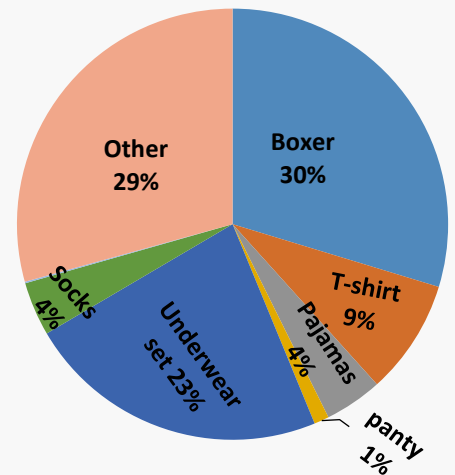
- In Dice underwear sales with the increase in the value of sales in 9M-2022 compared to 9M-2021, we find a change in the mix rates of pieces sold as shown in the diagram.

- 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

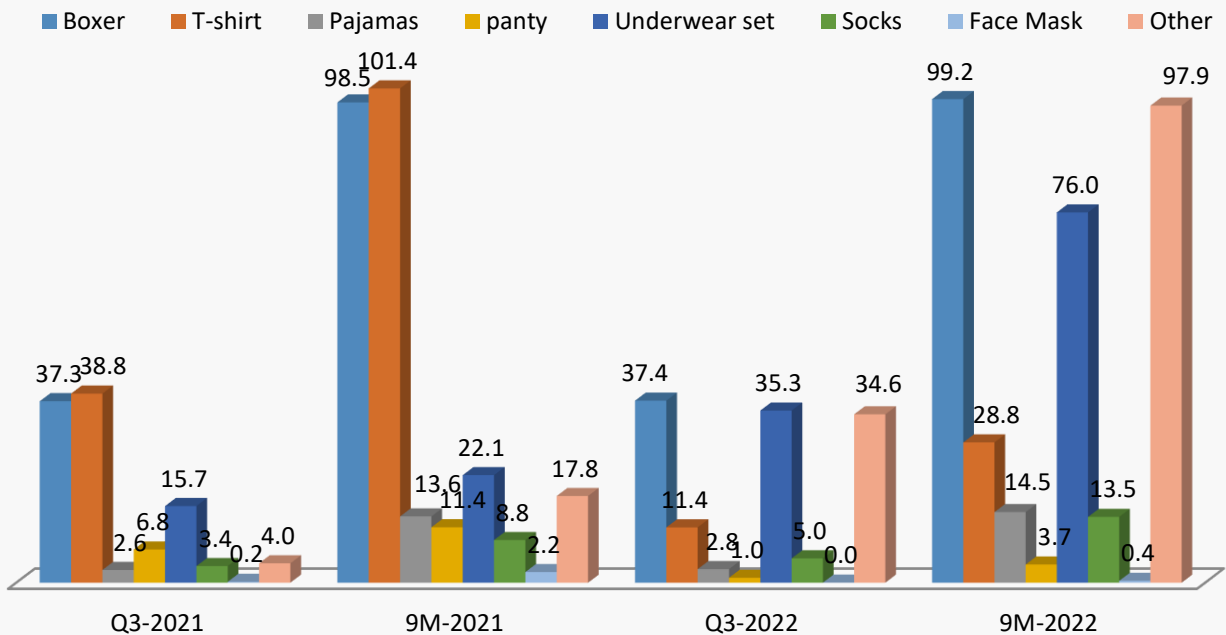
9M-2021



9M-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.

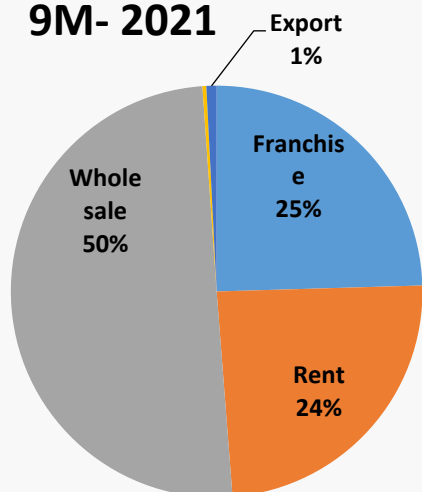
- **The second axis**

through the basic selling points of the activity as following:

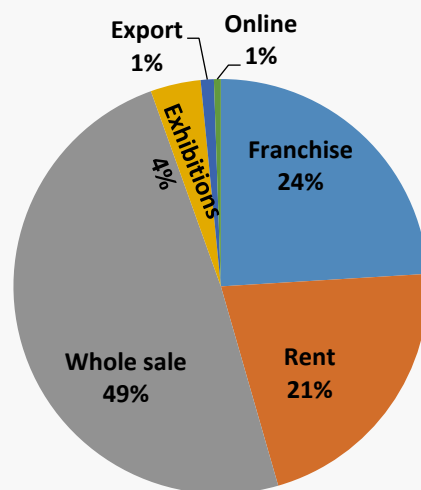
- Increase the number of booth rent & franchise shops with more geographical distribution.
- Focus with wholesaler the main indicator for market demand & comply their needs & furnish them with requested range of products in timely manner.
- The company seeks to have a share outside of Egypt of the global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

➤ It is noted from the following graph for 9M- 2022 that after the end of the negative impact of the Corona virus, exhibition sales returned to occupy 4% of the sales value.

9M- 2021

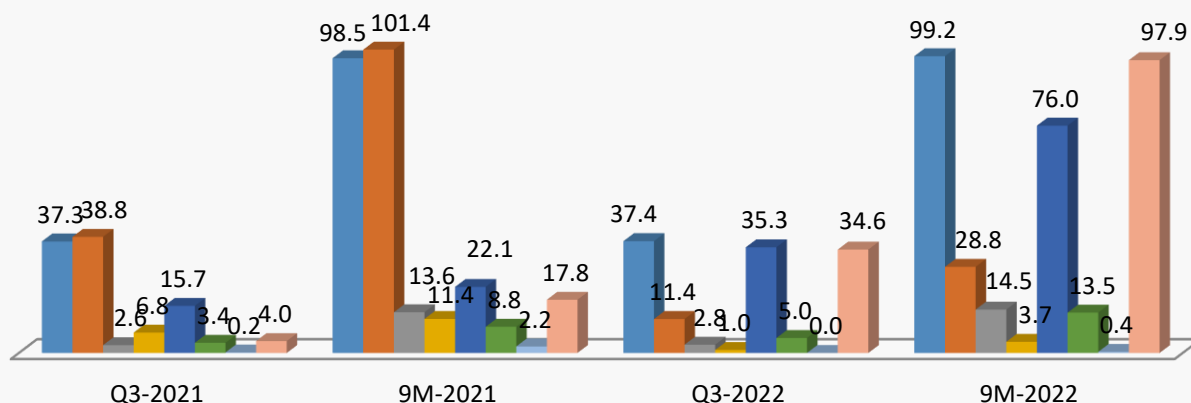


9M-2022



Sales Point – (EGP, mn)

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



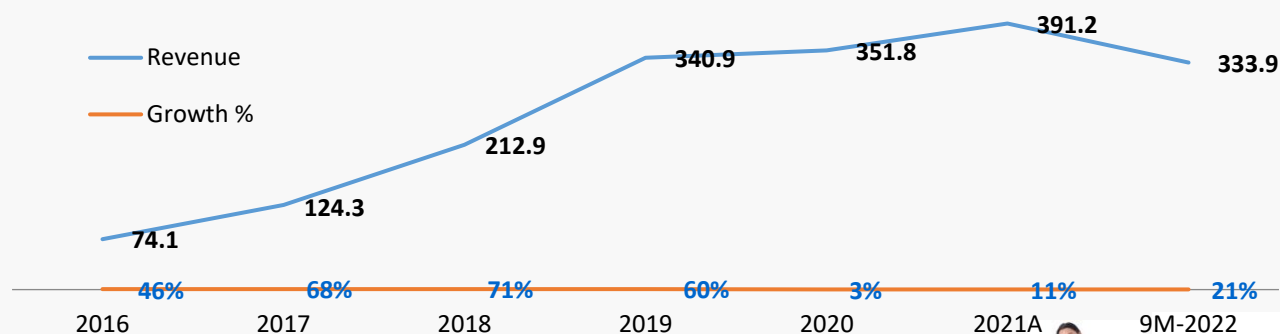
□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **343 retail stores** distributed across **20 governorates** as end of Sep 2022.
- 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 343 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

Growth retail sales



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