

Retail (DICE Underwear) Report 2019 Earnings

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DICE Underwear Report 2019 Earnings

Continuous recovery in top line growth with revenues recording a solid 60.1% y-o-y growth reaching EGP 340.9 mn in 2019 coupled with Y-on-Y.

Highlights for 2019

<p>Revenue EGP 340.9mn ▲ 60.1% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 132.6mn ▲ 56.1% y-o-y 38.9% GP Margin</p>
<p>EBITDA EGP 71.3mn ▲ 43.4% y-o-y 20.9% EBITDA Margin</p>	<p>Net Profit EGP 37.6mn ▲ 64.2% y-o-y 11% NP Margin</p>

Highlights for 2018

<p>Revenue EGP 212.9mn ▲ 71.3% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 85.0mn ▲ 46.3% y-o-y 39.9% GP Margin</p>
<p>EBITDA EGP 49.7mn ▲ 96.9% y-o-y 23.3% EBITDA Margin</p>	<p>Net Profit EGP 22.9mn ▲ 89% y-o-y 10.8% NP Margin</p>

□ Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	Q4-19	Q4-18	2019	2018
Revenue	98.7	72.2	340.92	212.9
y-o-y growth, %	36.8%	112%	60.1%	71.3%
Gross Profit	35.6	28.9	132.6	85.0
GPM, %	36.0%	40.0%	38.9%	39.9%
EBITDA	18.7	18.7	71.3	49.7
EBITDA Margin, %	18.9%	25.8%	20.9%	23.3%
Net Profit	9.3	9.6	37.6	22.9
NPM, %	9.5%	13.3%	11.0%	10.8%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	Q4-19	Q4-18	2019	2018
Total Number of Stores	247	188	247	188
o/w Rented	56	51	56	51
Rented %	22.7%	27.1%	22.7%	27.1%
o/w Franchised	175	132	191	137
Franchise %	70.9%	70.2%	77.3%	72.9%
Total Number of Pieces (000s)	3,313	2,389	12,462	7,719
y-o-y growth, %	38.7%	79.8%	61.5%	71.9%
Avg. Price (EGP) / Piece	29.8	30.2	27.4	27.6
y-o-y growth, %	-1.4%	17.8%	-0.8%	-0.3%
Total Revenue	98,678	72,154	340,919	212,950
y-o-y growth, %	36.8%	111.9%	60.1%	71.3%
% of Total Revenue	22.9%	14.9%	21.7%	14.0%
Gross Profit	35,561	28,893	132,626	84,976
Gross Profit Margin, %	36.0%	40.0%	38.9%	39.9%

-In 2019, the retail segment witnessed significant y-o-y growth in revenue, reaching 340.9 mn by 60.1%. This was driven primarily by a 61.5% increase in sales volume as DICE maintained competitive price levels to eat up market share.

-retail gross profit increase to 132.6 mn, up 38.9% of retail sales.

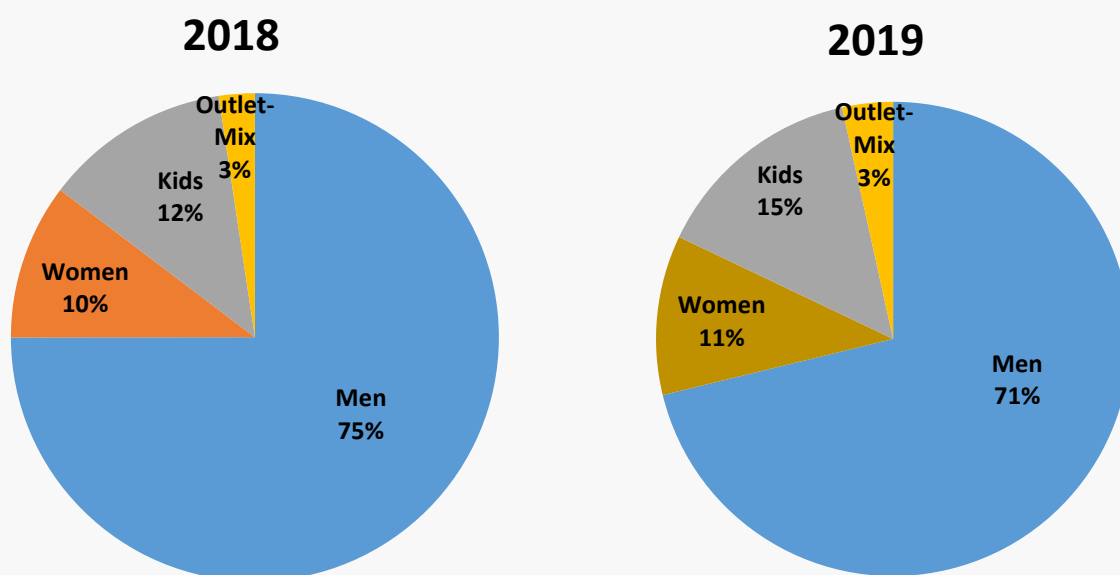
-During 2019, the retail production component of the pieces changed, leading to Slightly decrease in the average selling price of the piece but increase in the number of produced pieces significantly compared to 2018.

□ Sales Mix - client

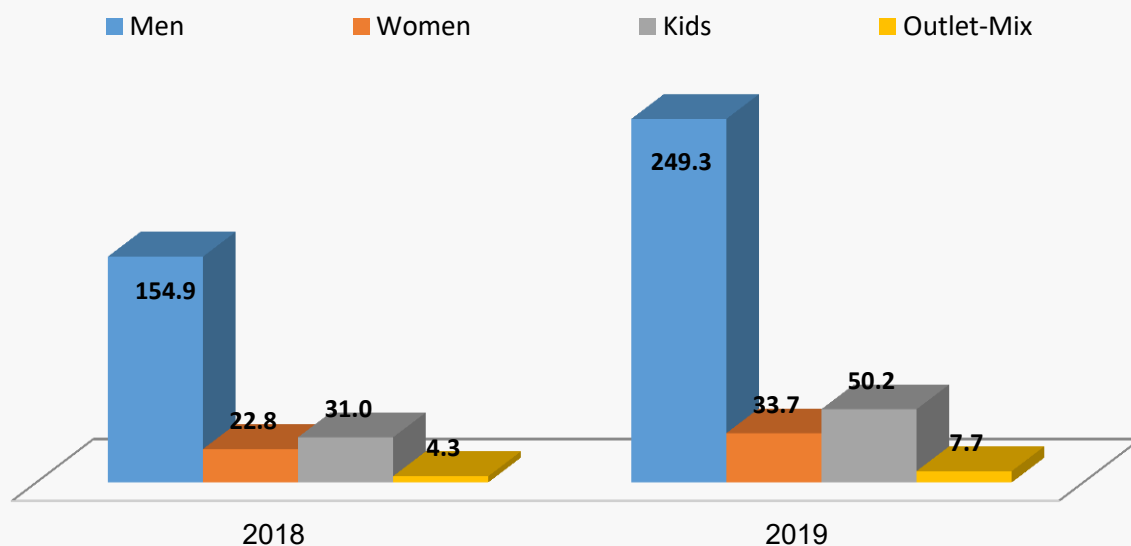
In Dice underwear sales with the increase in the quantity and value of sales in 2019 compared to 2018, we find a change in the mix rates of sales to increase the share of kids and women sales and decrease the share of men sales.

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

Sales Mix - Quantity



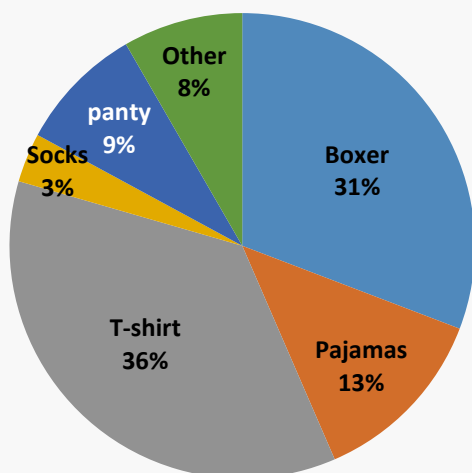
Sales Mix – Value (EGP, mn)



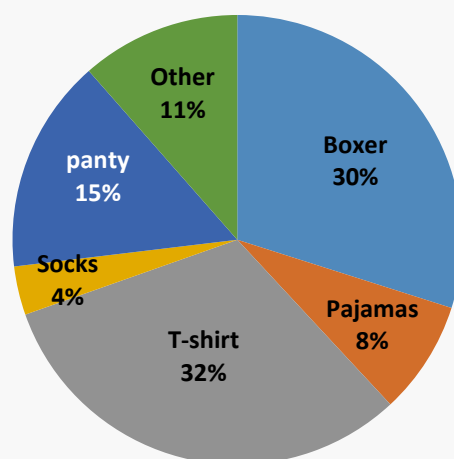
□ Sales Mix – type

In Dice underwear sales with the increase in the quantity and value of sales in 2019 compared to 2018, we find a change in the mix rates of sales As shown in the diagram.

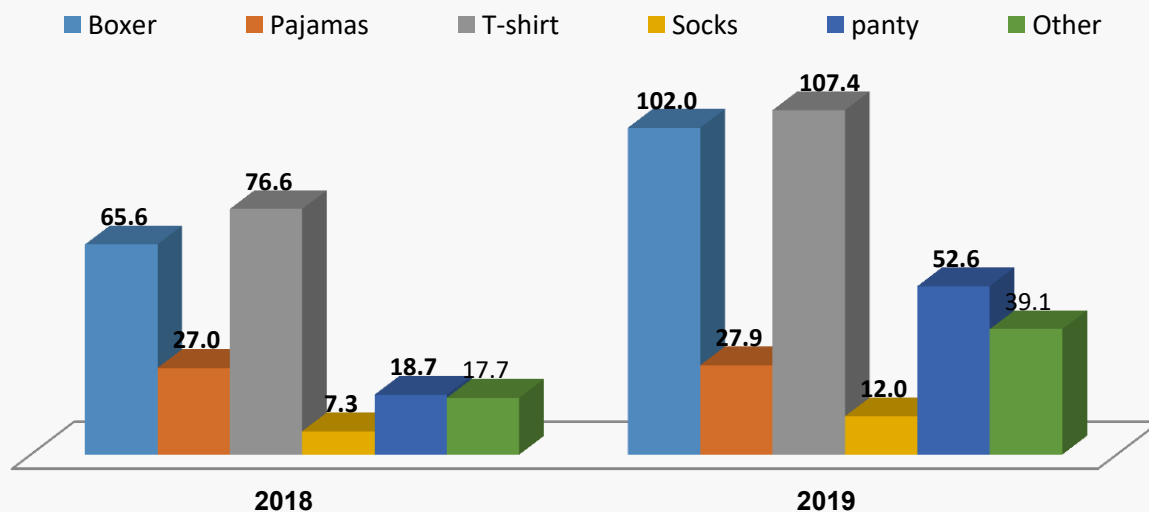
2018



2019



Sales Mix – type (EGP, mn)



□ sale points

DICE management succeed to maximize the volume of Dice underwear sales for 2019 compared to 2018 with a growth 60.1% y-o-y and that is through two main axes:

▪ **The first axis**

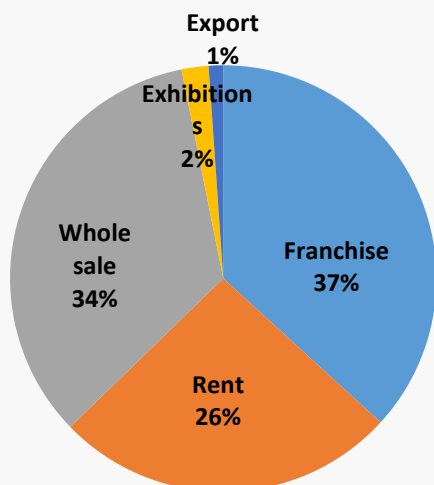
increase of production facilities that allocated for the DICE underwear production.

▪ **The second axis**

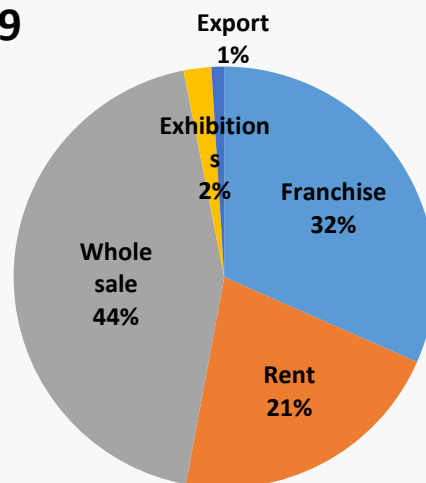
through the basic selling points of the activity as following:

- 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.

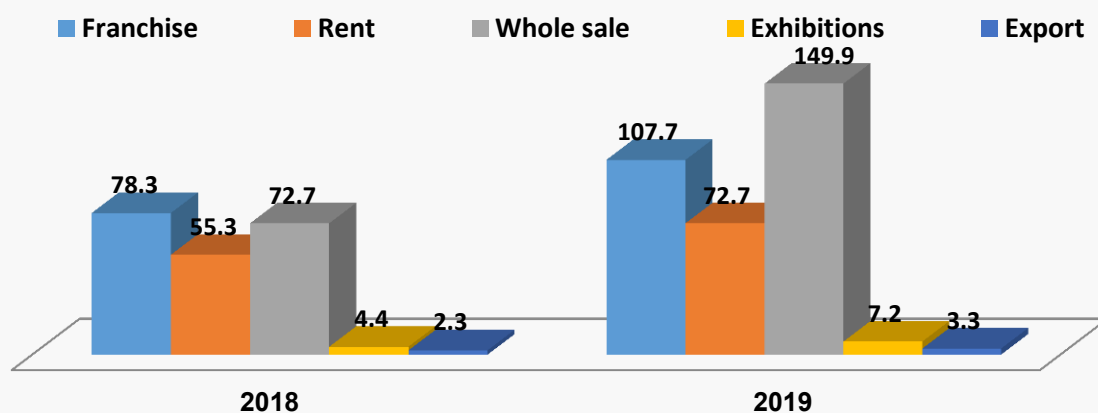
2018



2019



Sales Point – (EGP, mn)



□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **247 retail stores** distributed across **20 governorates** as of end 2019.
- 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 .

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 9 owned manufacturing facilities, 5 rented manufacturing facilities and 247 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

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